

THEWEEK

Did 2013 mark the end of fiscal austerity in Washington?

It wasn't exactly a banner year for Obama or liberalism. But there might be a silver lining to the gray clouds of 2013.

By [Peter Weber](#) |

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By most accounts, 2013 was a disheartening one for President Obama and American liberals in general. Gun control went nowhere nationally, and was even rolled back in many parts of the country. Immigration reform is stuck in House Republican purgatory. The botched rollout of Healthcare.gov drove Obama's biggest domestic achievement to new polling lows, adding insult to liberals' injury about not having a single-payer Medicare-for-all option.

But there is one bright spot, says Paul Krugman at *The New York Times*: America's "fiscal fever" has finally broken. Here's how Krugman defines the malady:

The insistence by virtually the entire political and media establishment that budget deficits were our most important and urgent economic problem, even though the federal government could borrow at incredibly low interest rates. Instead of talking about mass unemployment and soaring inequality, Washington was almost exclusively focused on the alleged need to slash spending (which would worsen the jobs crisis) and hack away at the social safety net (which would worsen inequality). [[New York Times](#)]

Krugman suggests that while the Washington "fiscal scolds" are still "getting worshipful treatment from some news organizations," they are "no longer able to define the bounds of respectable opinion." He [makes four points](#) to back up his assertion: Everyone finally knows that political "centrism" died with Republican moderates; rising tax receipts and falling spending have slashed the federal deficit; journalists stopped listening to debt alarmists; and "finally, over the course of 2013 the intellectual case for debt panic collapsed."

E.J. Dionne at *The Washington Post* raises another piece of evidence: When the Tea Party pushed the GOP into shutting down the government, "Obama did not blink and Democrats did not break ranks." The public was furious at Republicans, forcing the GOP to give in.

This set the stage for this month's moderate reversal of some of the sequester's spending cuts. The deal was championed — despite Tea Party opposition — by Rep. Paul Ryan (R-Wisc.), the avatar of the anti-spending right. Dozens of House Republicans who had voted for the shutdown in October to fend off primary challenges voted for the compromise in December to put perpetual budget crises behind them. When the roll was called, only 62 Republicans voted no. [[Washington Post](#)]

In 2013, [Dionne concludes](#), "the Tea Party began to decline in both real and perceived power, and Republicans began a slow retreat from the politics of absolutism."

We've all read the Tea Party's political obituary before, though. "The Tea Party's hold on the GOP persists beyond each burial ceremony," [says Theda Skocpol at *The Atlantic*](#). "Once the October 2013 shutdown ended in supposed total victory for President Obama and his party, many Democrats adopted a cocky swagger," she adds, but "our debates about federal budgets still revolve around degrees of imposed austerity."

After all, a flood of stimulus money isn't coming anytime soon.

In fact, some say little changed at all during the era of austerity. "Politicians have, indeed, had historic success cutting *numbers* — the abstract, friend-less figures at the bottom of the federal balance sheet," [says David A. Fahrenthold at *The Washington Post*](#). But they mostly ignored "decisions about how the country really ought to spend its money."

Republicans in Congress had forced a historic shift: Washington, for the first time in years, was focused on cutting, not growing, the budget. But then, politicians in both parties choked on the decisions that came next: Where to cut. Who to hurt. What to kill. [[Washington Post](#)]

Fahrenthold ends his analysis with [this anecdote](#):

"At some point, nothing's going to change. So why keep saying it?" said Tad DeHaven, a Cato Institute analyst who helps run the website [DownsizingGovernment.org](#). For 14 years, he has pushed for Washington to rein in spending and the size of government. Next year, as Congress begins its new effort, he will quit and go into business with a friend in Pennsylvania.

"I got tired of being asked on radio shows and such, 'What can we do about it?' Because I couldn't continue to pretend that there's a lot that can be done," DeHaven said in a telephone interview. "You're going up against an aircraft carrier with a slingshot." [[Washington Post](#)]

Somewhere, Paul Krugman is smiling.