



Obama the Bargainer

Jay Cost February 11, 2013

The recent inaugural festivities would have seemed more than a little strange to the Framers of the Constitution, had they been on hand to see the show. After all, here was their “republic” unified in celebration of vast executive powers being vested in a single human being. Did they not wage a bloody war to overcome such 17th-century notions?

And yet, the republic bequeathed by the likes of Madison and Jefferson prizes the inaugural ceremony. It is the most important rite in what Gene Healy of the Cato Institute calls “the cult of the presidency,” which is a decidedly bipartisan affair. Liberals celebrated Obama’s power, conservatives bemoaned it, but all acknowledged it.

What then is this power, exactly? The answer is scarcely to be found in the Constitution itself. Article II is shorter than your average newspaper column and spends most of its time reviewing the complicated procedures by which the chief executive is to be selected.

The presidency has come to mean much more than the measly powers granted its occupant by the Constitution; the job of the modern president is to fill the spaces left between the various articles and sections and clauses of the founding document. What our system disperses among branches, states, localities, parties, and interest groups, the president brings together, coordinating their efforts for the national good.

This is a virtually impossible task, for the formal powers of the president do not meet the informal expectations we the people have set for him. As Harry Truman predicted in the summer of 1952, when it was clear that Dwight Eisenhower would succeed him, “He’ll sit here and he’ll say ‘Do this! Do that!’ And nothing will happen. Poor Ike—it won’t be a bit like the Army. He’ll find it very frustrating.”

As usual, the ornery Missouri-farmer-turned-haberdasher hit the nail on the head. Commands simply won’t cut it, for many of the people whom the president would command need not heed him. Members of

Congress, judges, cabinet department heads, even leaders of the military have their own mandates that do not require ironclad fealty to the president.

Instead, a president succeeds by persuading others to do what he wants. As presidential adviser Richard Neustadt once put it, the job of the president

is to induce them to believe that what he wants of them is what their own appraisal of their own responsibilities requires them to do in their interest, not his. Because men may differ in their views on public policy, because differences in outlook stem from differences in duty—duty to one's office, one's constituents, oneself—that task is bound to be more like collective bargaining than like a reasoned argument among philosopher kings.

Thus, with the festivities finished and the glow of the inauguration fading, it is fair to ask: Just how powerful will President Obama be in his second term? In other words, how successful will he be at persuading the diverse agents of our government to do what he wants them to do?

If the lessons of his first term guide our expectations for the second, then the most likely answer is: not very.

At first blush, this assertion might sound absurd. A weak President Obama? Proof of the contrary is in the pudding: The massive stimulus, the health care bill, and financial reform were all epic in their scope and ambition. Surely both left and right agree—whether they celebrate or bemoan the fact—that Obama is a very strong, liberal president.

But presidential power—the ability to persuade—has many sources, some external, some internal. The external sources are all reducible to “the political context.” How many seats does the president's party control in Congress? What is the status of the opposition party? What was the relative strength of the president and his party in the last election? What is his job approval rating? And so on. All of these factors set the boundaries for how easily the president can persuade others.

In 2009 and 2010, President Obama enjoyed a very favorable political context. Today, the political context is more favorable to him than it was in 2011, but markedly diminished from the heady days of 2009. So, for instance, President Obama can call for action on “climate change” until he is blue (or, perhaps, green) in the face, but the political environment—including arguably the most conservative House of Representatives since the 1920s—means he lacks the power to make it happen.

The internal sources of strength are the president's political skills, which he deploys in particular circumstances. So the question becomes: How good is he at persuading others, given the political context? If political context is the science of presidential power, quantifiable in electoral results and congressional voting scores, persuasive skill is the art. Here, we must put down the American Political Science Review and pick up Machiavelli's Prince. As for President Obama's first term, no other incoming president in recent history had such a surplus of political capital and misused it so terribly. The reason? He lacks important skills that are integral in the exercise of presidential power.

All presidents are unique, each possessing or lacking skills useful to a chief executive. Obama is notable in that he has mastered some vital skills better than any recent predecessor, but he exhibits virtually no facility with others. His strengths have been enumerated extensively by a fawning press corps. His favorable coverage is due not only to the media's ideological commitment to his policy goals, but also to his natural gifts. He awes the press, and many other groups in society, by his very presence. Moreover, he knows he has this power over them. This ability, more than any other, made him president and remains his single greatest source of power.

Yet though he affects some people intensely, he himself seems largely unaffected by others. This helps explain why he has used his speaking ability so unevenly: He is wont to misread people, and therefore situations. His Tucson speech, for instance, after the shooting of Rep. Gabrielle Giffords, was a political stroke of genius. He intuited what the moment called for and delivered it perfectly. By contrast, his 2009 speech to the International Olympic Committee pitching Chicago was a waste of time and made him look small. Similarly, he has time and again left business leaders feeling nonplussed, inviting them to the White House mainly to serve as window dressing for another teleprompter performance.

It is on Capitol Hill that Obama seems most out of touch with his audience. In particular, he does not understand what the key players in Congress expect, yet he is convinced he knows them better than they know themselves. What's more, he gives little and inconsistent guidance as to what he expects from them. That goes for both Republicans and Democrats.

For Republicans, the warning signs appeared early, on the stimulus bill passed in the president's first month in office. Obama and his team were supremely confident that they could get a \$900 billion package through Congress with solid Republican support, so much so that when House minority whip Eric Cantor warned that they would receive no backing from House Republicans, they told him not to embarrass himself with such an absurd prediction.

Team Obama failed to anticipate how turned off the congressional GOP would be by the spending side of the package: Democratic appropriators were unloading a wish list that had accumulated during more than a decade of Republican governance. The White House also thought the Republicans would be attracted to the tax cuts that constituted roughly one-third of the package. But the White House did not understand how Republicans view taxes—specifically, the difference between tax credits, which the stimulus favored heavily, and rate cuts, which Republicans prefer. None of this should have come as a surprise to anyone who had done any homework on the congressional GOP. After all, Republicans killed a 1993 stimulus bill that was qualitatively similar, but less than a tenth the size of the 2009 package.

What did Team Obama surmise when its predictions fell flat? It certainly did not take time to gauge the congressional GOP more carefully, to build a more nuanced picture of Republicans' motives and expectations. Instead, it adopted the cartoonish caricature one finds in a Paul Krugman column: Republicans are contemptible knaves, willing to let the economy go down the drain to embarrass the president.

The stimulus also featured another theme of presidential-congressional relations under Obama: mixed messages from the White House. Early in the negotiations over the bill, President Obama told House minority leader John Boehner and Cantor that he was interested in their ideas. He did not want to play partisan games; he just wanted to jump-start the economy. Yet when Cantor presented the president a list of suggestions, Obama brought the dialogue to an icy conclusion by infamously declaring, "I won, so I think I trump you on that." During the deliberations on the bill, the president's chief of staff, Rahm Emanuel, was known to respond to other GOP suggestions by shouting, "We have the votes. F— 'em!"

For the first two years of Obama's tenure, congressional Republicans did not register with the White House at all. Contact was so sparse that when the GOP took control of the House of Representatives, the White House did not even have Boehner's cell phone number so the president could place a congratulatory call.

The case of Michigan Republican Dave Camp is illustrative. According to Bob Woodward in *The Price of Politics*,

The administration's approach to Congress was different from what he was used to. He had first come to Washington as a congressional staffer during the Reagan administration. Reagan had deployed administration liaisons all over Congress. Camp could remember Reagan getting on the phone with a lowly freshman congressman to discuss legislation. . . . During Obama's first two years in office, Camp was the ranking Republican on the Democrat-controlled Ways and Means Committee. He was one of the

more politically moderate House Republicans. Yet the administration's Hill staff didn't even seem to know who he was. He never saw them.

During the debt ceiling battle of 2011, the president again exhibited cluelessness about the motivations of congressional Republicans. Precious time during the month of July was wasted as Obama insisted again and again on decoupling the Bush-era tax cuts, making permanent the cuts for those making under \$250,000, and letting the cuts in the high-end rates expire. His argument was that the congressional GOP could avoid the wrath of Grover Norquist because it would not actually have to vote to increase taxes. It seemed never to cross his mind that tax rate increases such as he was proposing were anathema to congressional Republicans.

The bigger problem during the debt ceiling fight, and probably the biggest contributor to the near-default of the country that summer, was Obama's failure to heed Boehner's warning that \$800 billion in additional tax revenue was his "red line," above which he could not go. The justification for that figure was that it was all that could be squeezed out of tax reform (and even that was optimistic according to many analysts); beyond that, tax rates would have to be raised in order to bring in more revenue. In late July, after Boehner had made a "grand bargain" offer that included \$800 billion in new revenue, Obama asked for another \$400 billion. Memories diverge on exactly who said what—Boehner is convinced Obama said he had to have the extra money, while Obama believes he only suggested it. This ambiguity might have been avoided if Obama had not made the rookie mistake of making such a big request over the phone instead of in person. And, anyway, he should have known not to ask, given Boehner's previous warnings about his red line. Unsurprisingly, the deal blew up shortly afterwards.

It boils down to the difference between listening and waiting to talk. With congressional Republicans, Obama always seems to do the latter. So, once again, he was left disappointed, and once again he assumed the worst of his negotiating partners. He surmised that there were simply too many extreme Tea Party Republicans who were prepared to breach the debt ceiling, and that Boehner lacked control of his caucus. Again, a basic understanding of Republican history would have corrected this notion. Like Newt Gingrich and Denny Hastert before him, Boehner is responsible to a majority of the Republican caucus, which for generations has opposed the kinds of rate increases that \$1.2 trillion in new revenue would have required.

Not only did Obama fail to listen during the debt ceiling struggle, he consistently sent the other side mixed messages. A case in point: Obama's demagogic April 2011 speech blasted Paul Ryan's budget as "leaving seniors at the mercy of the insurance industry" and abandoning "the fundamental commitment this country has kept for generations." In private, however, Obama had praised Ryan for offering a serious proposal and emphasized that both sides had to avoid scaring the elderly for political points. Worse, he had held a bipartisan summit that very day to encourage the two sides to come together on a plan.

Obama's problems communicating with Congress are not limited to the right side of the aisle. Although Democrats need not worry about White House demagoguery or fret that Obama fails to understand their concerns, he has nevertheless done a poor job of engaging them in dialogue. In particular, the White House has often cut congressional Democrats out of the loop, inhibiting interbranch coordination and angering leaders by what they feel is trampling on their institutional rights.

Indeed, the president's signature achievement—Obamacare—almost did not happen because of this. The process by which the health care bill was written was chaotic, to say the least. At one point five bills were circulating on Capitol Hill, three in the House and two in the Senate. Each differed, sometimes dramatically, in how to expand coverage and how to pay for it. And yet the White House did virtually nothing in 2009 to coordinate these efforts.

In fact, White House aides privately thought the final House bill was a liberal fantasy, and they had worked out a deal with medical providers that did not include the so-called public option. Yet the president never came out against that proposal, or any other, for that matter. After multiple calls over the summer of 2009 for President Obama to set some ground rules on what he expected, he gave a speech in early September that, though his aides promised specificity, was once again vague.

Finally, in early January, when the two chambers had passed their bills and it came time to work out the finer points, President Obama actually stormed out of a meeting after Nancy Pelosi tartly expressed her frustration with his lack of leadership. It was left to Emanuel to finish the negotiations. Worse, the needless delays due to the lack of presidential leadership sapped public support for the reform effort, led to Scott Brown's victory in the Senate race in Massachusetts that January, and eventually forced Democrats to pass a gratuitously slipshod and ill-conceived bill that otherwise never would have become law.

After the 2010 midterms, House Democrats lost their majority, but not all of their clout. It would have been virtually impossible for Boehner to pass a compromise debt ceiling plan through the House in 2011 without at least some Democratic support, so it was appropriate for Pelosi and her leadership team to be kept in the loop. For a while, they were, but as Boehner and Obama approached a grand bargain, House Democrats were excluded.

Amazingly, so was Harry Reid. Any deal would obviously have to bear the imprimatur of the Senate majority leader, yet he was cut out of the final talks. It was only after the New York Times scooped the Boehner-Obama grand bargain that the White House brought Senate Democrats into the loop. Unsurprisingly, they were apoplectic, believing that the deal extracted too little from the congressional

GOP, and feeling that they had been ignored. In fact, it was the outrage of the Senate Democrats that prompted the White House to go back to Boehner at the last minute to ask for more tax revenue, scuttling the big deal once and for all.

All of these stories point in the same direction: This president does not have a solid congressional outreach program, does not have a steady grasp of the expectations of legislators in either party, and does a notably poor job of communicating to them what he expects. Thus, a drifting and listless policy process, finally given direction by some power player outside the White House, often acting to avert imminent disaster, has marked almost every major deal during his tenure.

There is little reason to expect anything different in the next four years. In the end, President Obama simply does not spend enough time talking to members of Congress. He is too aloof, and most accounts suggest he dislikes the seemingly petty, parochial nature of Capitol Hill.

In an interview with journalist Ron Suskind, President Obama articulated what he believes to be the core of a president's job, and what he learned from the troubles of his first term:

The reason people put me in this office is people felt that I had connected our current predicaments with the broader arc of American history and where we might go as a diverse and forward-looking nation. And that narrative thread we just lost, in the day-to-day problem solving that was going on. . . . What the president can do, that nobody else can do, is tell a story to the American people about where we are and where we need to go.

While this statement would surely make the republicans of the founding generation turn over in their graves, it does encapsulate the job of the modern president, but only in part. Yes, he is to stand, almost godlike, above the political process and tell a story, but the modern presidential deity is not in line with the watchmaker God of the 18th-century rationalists. It is not enough to put the pieces in motion, then stand back. Instead, a president must be more like the God of the Old and New Testaments, above the world and sovereign over it, but also intimately involved in it, guiding, encouraging, cajoling, and threatening people to make the right choices.

The ideal modern president, to borrow a phrase from Theodore Roosevelt, is one "actually in the arena, whose face is marred by dust and sweat and blood." President Obama does not much care for the arena,

and his successes came despite this distaste, not because of it. In fact, Nancy Pelosi probably deserves most of the credit for the legislative victories of 2009-2010. She functioned as a de facto prime minister, with her eyes always on big, national projects while she dealt with the provincial concerns of this committee chair or that subcommittee member. She, not Obama, was the one “in the arena.”

What this means is that major breakthroughs on legislation in the next four years are likely to depend on political actors outside the White House. Pelosi’s power is only a fraction of what it was, but policy success will still depend on congressional entrepreneurs as long as the White House remains disengaged. Thus, a whole host of issues will likely go unaddressed, above all, the looming entitlement crisis. One issue that could see movement is immigration reform, a topic of discussion where there is overlap between the parties and there are potential leaders in Congress, like Marco Rubio, who could help in whipping his party and negotiating a compromise with the other side.

But little such progress will be due to President Obama. It is highly unlikely that he will act as the collective bargainer Neustadt envisioned. He will not be the one to help hammer out policy differences between Senate Democrats and House Republicans, such as illegal immigrants’ status under Obamacare, or help the appropriators find the money needed for enforcement, or create a political space where both parties can declare victory.

Sure enough, last week’s campaign-style speech in Las Vegas on immigration reform was classic Obama. Not only did it do nothing to advance the ball on the sensitive negotiations in Congress, but the president demanded immediate amnesty, something to which Republicans will never agree. He also said he would “insist” that Congress vote on his proposal if it did not act in a timely fashion.

That captures Obama’s problem in a nutshell. “Insisting” that Congress do something is a good way to make sure nothing happens. Instead, as Harry Truman once said, the president must spend his time “flattering, kissing, and kicking people to get them to do what they are supposed to do anyway.” Barack Obama does not do this. He thinks it beneath him. After four years in office, he still fails to grasp the essence of modern presidential power.