Implement a Vigorous Antipoverty Program
Fill Shortfalls in State Resources
Dispel “Starve the Beast” Notions
Eliminate Structural Racism

What the Federal Government Must Do to End Poverty

[Text continues with more points like]:
- Promote Literacy Programs for Adults
- Help Low-Income People Build Assets
- Protect Consumers from Credit Scams
- Leave No One Behind in Rebuild
Deconstructing the Argument for a Small and Passive Federal Government

By Gary D. Bass, Adam Hughes, and Anna Oman

In the late 1990s congressional Republicans, led by then House Majority Leader Dick Armey, vigorously denounced federal agencies for their poor progress toward complying with a new law mandating quantifiable measures of government performance. During one press conference, Armey gave the federal agencies abysmal grades, mostly Fs with a few Cs, on their compliance with the new law. He noted then that if these grades did not improve, he would push for budget cuts for poor performing programs and agencies. In the same press conference, another speaker concurred with Armey and added that marks that were too high should indicate to Congress that a program review was in order to determine if an agency was receiving too much money.

Their “damned if you do and damned if you don’t” message came through loud and clear. The discussion of performance measures was merely a smokescreen for an effort to downsize government by slashing agency budgets. Ten years later, this effort continues, with President Bush in his January 2006 State of the Union address boasting that the White House budget “will reduce or eliminate more than 140 programs that are performing poorly or not fulfilling essential priorities” in the name of fiscal restraint, while in the same address calling for making his enormously costly tax cuts permanent.

This model began with Ronald Reagan, who spent much of his time in public service bemoaning government as part of the problem rather than the solution. Not until the Newt Gingrich revolution of the mid-1990s, however, did congressional Republicans intend to do something about it. Despite their efforts, conservatives were disappointed that between 1994 and 2000, with President Bill Clinton in office, they made little progress toward “starving the beast.”

1The Results Act: It’s the Law, House Majority Leader Dick Armey, Chairman Larry Craig, Senate Republican Policy Committee; Chairman Dan Burton, House Government Reform and Oversight Committee; Chairman Bob Livingston, House Appropriations Committee; and Chairman John Kasich, House Budget Committee, http://freedom.house.gov/results.

First coined by Reagan’s budget director David Stockman, “starving the beast” is a conservative political strategy that pursues budget deficits in order to force reductions in government expenditures, especially spending on social services and social welfare programs.3 “Starve the beast” advocates believe in tax cuts—usually for business and wealthier individuals—and in smaller government. They starve “the beast” by promoting tax cuts and creating an environment in which spending cuts seem the only solution to burgeoning deficits.

When in 2001 George W. Bush took office, championing tax cuts as the best policy for dealing with the budget surplus left from the Clinton years, “starve the beast” advocates were ecstatic. In a National Public Radio interview, Grover Norquist, a leading antitax, antigovernment advocate, summed up the push that was gaining steam: “I don’t want to abolish government. I simply want to reduce it to the size where I can drag it into the bathroom and drown it in the bathtub.” And the way to get it down to that size is to starve it of revenue. “The goal is reducing the size and scope of government by draining its lifeblood,” Norquist told U.S. News & World Report.4

The tax cuts approved by Congress year after year beginning in 2001 put in place a structural change in government that could achieve Norquist’s objective. With the cost of the tax cuts exploding in future years and demographic changes that will increase government spending, the current system is unsustainable. The federal government will never be able to grow its way out of the structural imbalance that are the result of the high spending and low revenues of recent years.

Let’s be clear on how this happens. First, let’s assume that the 2001 tax cuts will be extended when they expire at the end of 2010 (at a cost of around $2 trillion over the next ten years) and that Congress will prevent the alternative minimum tax from affecting millions of upper-middle-income taxpayers (at the cost of about $1 trillion over ten years). Second, let’s assume Congress is serious about reducing the deficit, as they should be. Now, let’s turn to the spending choices.

First, let’s assume that interest on the public debt will be paid, that spending on defense and homeland security will continue to increase and that the regular operations of government will continue to be financed. This leaves us with a deficit over the next ten years (between the 2007 and the 2016 fiscal years) of around $3.9 trillion that Congress must somehow address.5 The spending categories we are left with to reduce the deficit are social security, Medicare, Medicaid, and unemployment insurance. And to close the fiscal gap, spending on these programs would have to be cut by around 40 percent.6

Whether these programs will face such draconian cuts remains to be seen. But almost certainly programs that lack politically powerful constituencies and highly paid lobbyists will be the first on the chopping block. These will overwhelmingly be smaller programs, cuts in which in a $2.8 trillion annual budget will make only a small dent in the federal deficit. The dismantling of the federal government is not solely about disinvestment. In addition to cutting off funding for domestic priorities, particularly those

6The magnitude of the cuts varies from analyst to analyst, but all agree that the current path is not sustainable. Henry Aaron of the Brookings Institution says that by 2040, as a percent of gross domestic product, there will be a 13.3 percent gap between spending and revenue. You could increase income and payroll taxes by one-third, and cut growth in Social Security by one-half, and Medicare, Medicaid, and the rest of government by one-quarter and such increases and cuts still would not fully close the deficit gap. The 40 percent figure is based on Tax Policy Center figures that Paul Krugman, the economist and New York Times columnist, uses.
connected with the image of a “welfare state,” the “starve the beast” crowd has systematically shut off regulatory protections—and when this cannot be achieved, they have tilted the regulatory playing field in favor of the very special interests and industries being regulated. With minimal regulation and no cop on the beat to enforce existing protections meaningfully, the free market reigns and vulnerable populations are left still more exposed.

“Starve the beast” proponents have strategically promoted a shifting of federal responsibilities to state and local governments or to the private sector (be it nonprofit or for-profit). Even important new legislative initiatives, such as prescription drug coverage for the elderly, are now being driven by the market—and the result, as we have seen, is enormous confusion and inefficiency.

To top it off, the “starve the beast” gang has consistently worked to cut off the advocacy voice of those who attempt to speak out against this systematic dismantling of the federal government’s role. The result of this whittling away of our government was on display in frightening clarity in the horrendous federal response to Hurricanes Katrina and Rita.

Our country now faces a crucial decision: fundamentally change the role of government or significantly increase revenue to meet current and future spending needs. For those who care about addressing the persistent problem of poverty—this should be all of us—the answer must be a bit of both. A robust civil society that works for all its citizens requires an active government, business sector, and nonprofit sector working in partnership. But if we do not begin making the case that government must be a key part of the solution and counter the “starve the beast” ideology, we will sure-ly lose the battle to improve the quality of life for all Americans. Deconstructing government robs our society of a critical partner with the ability to address the hardest problems faced by the most vulnerable among us and to provide sustained funding and oversight for partners to address prevailing concerns.

While the role of government in paying for programs is vital, we also rely on our government to correct injustices. Overall the gap between the rich and poor has widened with those in the top quintile of income earning 15 times as much as those in the bottom quintile in 2004; in 1990 that factor was 12. Only government can meaningfully address the widening income inequality and establish policies to ensure fairness across the board. More than simply throwing money at the problem, this requires having leaders who believe in the ability of government to improve society.

In this article we give information about the “starve the beast” philosophy and how its impact on our current government is not an accident but rather part of a grand strategy. We point out why a reduced, passive federal government is not healthy for the United States. We identify some beginning thoughts about how to undo a twenty-five-year trend of starving the beast.

If one message comes through in this article we hope it is that advocates of human services must begin to address these long-range structural fiscal problems. It is time for those of us who work on poverty issues to reassess our strategy and to include advocating adequate federal revenues and the decisive role of government as a crucial element of our work. We need a paradigm shift in the way we fight the war on poverty—calling for new and innovative programs is essential but simply not enough today. Pursuing such a path may result in winning small fights but losing the war.7

Deconstructing the Argument for a Small and Passive Federal Government

Fiscal Challenges for the Country: How Deep Is the Hole?

President Bush and many members of his administration have strongly advocated making all of the 2001 and 2003 tax cuts permanent; they forecast economic disaster for the country if they are not extended. While the economic benefits of the administration’s rampant tax cutting have been difficult for many Americans to find, extension of the tax cuts (at the cost of over $2.1 trillion over the next ten years) will seriously damage an already precarious federal budget imbalance and have significant implications for broad efforts to combat poverty across the country.

The president’s first-term tax cuts have been the main factor that has led to the unprecedented transition over the last five years of the federal government from large surpluses to enormous, persistent deficits. In 2004 the government ran the largest deficit in our history—an astounding $422 billion. For the most recently completed fiscal year, ending on September 30, 2005, the deficit had decreased but was still a whopping $319 billion. And the trend is expected only to get worse, with initial forecasts of the deficit climbing well over $400 billion again this year.

These are not isolated occurrences. According to the president’s own budget projections, if current budget and tax policies are continued, these deficits will persist for decades to come. The assumptions that form these projections are likely too optimistic for a few different reasons. They do not take into account a widely anticipated loss of revenue when Congress realigns the alternative minimum tax in order to avoid the tax affecting a larger and larger portion of middle-class Americans. Nor do these projections include additional funding for military operations in Iraq and Afghanistan.

Figure 1.—Continuation of Current Budget and Tax Policies Is Unsustainable

Source: Analytical Perspectives: Budget of the United States Government, Fiscal Year 2007, at 188 (Chart 13-6).

8According to the Center on Budget and Policy Priorities and Congressional Budget Office, of all the changes in law enacted since President Bush entered office, the tax cuts, not spending increases, have accounted for the largest percentage (48 percent) of the deficit in 2005. See Ruth Carlitz & Richard Kogan, Center on Budget and Policy Priorities, CBO Data Show Tax Cuts Have Played Much Larger Role than Domestic Spending Increases in Fueling the Deficit, www.cbpp.org/1-25-05bud.htm.

9President Bush promises to cut the deficit in half over the next few years. But his own budget projections indicate a rising deficit as soon as he leaves office.
Those omissions, however, are not the most troubling aspect of our current fiscal outlook. The president’s long-term budget estimates assume borrowing revenues within the government from other programs that are running surpluses. The social security, Medicare hospital insurance, and federal employees’ retirement programs are each generating large surpluses. Because those programs will need the extra money being borrowed to fund services in the future, the real deficit projections should be between 30 percent and 35 percent higher—in the $600 billion range for those years.

The consequences of these large deficits are many. They include a decrease in the national savings rate, slowed economic growth, and more limited flexibility and capacity for the federal government to adapt to changing needs and unexpected challenges. But one of the hidden consequences is the establishment of a political environment in Congress where lawmakers feel forced to cut budgets to bring the government into balance. This phenomenon has already happened throughout the Bush administration, which has often justified its push to cut funding for federal priorities by claiming that deficits must be reined in.

By fighting for tax cuts that explode the deficit and then misclaiming that out-of-control spending is to blame for the country’s fiscal problems, the Bush administration has established a cycle that significantly and repeatedly reduces the size and role of the federal government. First taxes are cut, causing deficits, and then budgets are cut to bring the system back into balance. Once this is achieved, it will probably be time for another tax cut, starting the process all over again. This cycle is widely agreed upon by both liberals and conservatives to be unsustainable.

**Big Picture: Historically Low Revenues Are Main Problem**

Despite the rhetoric of out-of-control spending being responsible for the huge deficits, a closer look at the facts reveals that the revenue side of the equation is what, in reality, has caused the fiscal imbalance. Federal spending as a percentage of the economy has been steadily increasing since the 2001 fiscal year, yet much of this increase has been due to defense and homeland security spending, as well as rising health care costs for Medicaid and Medicare. But even with those increases, in comparison to other periods in our recent history, federal spending is not out of control.

As Figure 2 shows, between the 1981 and the 2000 fiscal years, yearly outlays averaged 21.3 percent of gross domestic product (GDP); between the 2001 and the 2004 fiscal years, yearly outlays averaged only 19.4 percent of GDP. While there may be some need to be cautious on the outlay side of the budget in the future, particularly with regard to health care costs, spending is not driving the massive deficits we currently face. As the Congressional Budget Office and other analysts have noted, the Bush tax cuts account for nearly half of today’s deficit, not increases in spending. The primary issue driving the deficits is insufficient revenues.

This is clearly showcased when the long-term perspective of tax revenues is examined. Federal revenues under the Bush administration have dropped to historically low levels. In the 2004 fiscal year, federal revenue dropped to just 16.3 percent of gross domestic product, the lowest level since 1959, and individ-
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Figure 3.—Revenue as Percentage of Economy Is at Lowest Level Since 1959


Figure 4.—Projected Government Spending, Revenue, and the Gap

<table>
<thead>
<tr>
<th>Year</th>
<th>Social Security</th>
<th>Medicare</th>
<th>Medicaid</th>
<th>Rest Of Government</th>
<th>Interest</th>
<th>Total</th>
<th>Revenue</th>
<th>Gap</th>
</tr>
</thead>
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<tr>
<td>2004</td>
<td>4.3</td>
<td>2.7</td>
<td>1.5</td>
<td>10.3</td>
<td>1.8</td>
<td>20.6</td>
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<td>4.3</td>
<td>3.7</td>
<td>1.5</td>
<td>9.0</td>
<td>2.5</td>
<td>21.0</td>
<td>17.2</td>
<td>3.8</td>
</tr>
<tr>
<td>2015</td>
<td>4.7</td>
<td>4.2</td>
<td>1.8</td>
<td>8.3</td>
<td>2.5</td>
<td>21.5</td>
<td>17.4</td>
<td>4.1</td>
</tr>
<tr>
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</tr>
<tr>
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<td>39.9</td>
<td>18.4</td>
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</tbody>
</table>

Source: Henry Aaron’s estimates based on Congressional Budget Office long-term projections and William Gale and Peter Orszag’s estimates.

The combination of slightly increased spending and drastically lower revenues has led to large and persistent deficits. These deficits have had a negative impact on the ability of the government to meet the needs of communities and people around the country and will have a negative impact on economic growth by reducing national savings rates. And the deficits are only going to get worse as the baby-boomer generation forces huge expansions in entitlement programs.

Long-Term Disaster Looms

The combination of slightly increased spending and drastically lower revenues has led to large and persistent deficits. These deficits have had a negative impact on the ability of the government to meet the needs of communities and people around the country and will have a negative impact on economic growth by reducing national savings rates. And the deficits are only going to get worse as the baby-boomer generation forces huge expansions in entitlement programs.

Figure 4 shows a conservative estimate for the long-term growth of the federal government over the next fifty-five years. Developed by Henry Aaron, a Brookings Institution scholar, Figure 4 underscores the need for a comprehensive solution—consisting of both targeted spending reductions and tax increases—to the long-term imbalance. As Figure 4 shows, tax revenues must more than double as a percentage of the economy in order to be able to pay for the future needs of the federal government. Simply repealing even all of the Bush tax cuts is not a solution over the long run.

What is worse for poverty advocates, the entire context of this debate is simply about sustaining the same services currently being provided. It does not even consider proposed or imagined projects that could be initiated to address the widespread problem of poverty in the United States.

States and Localities Forced to Carry Burden

This analysis of the cyclical pattern of un-offset tax cuts leading to persistent deficits that, in turn, necessitate budget cuts shows a conservative plan to shrink government at the federal level, but it does not show the shifting of duties from the federal to the state and local levels.


Last year President Bush proposed reducing discretionary grants in aid to state and local governments by almost 9 percent after adjusting for inflation. Through smaller investments, devolution of federal programs to block grants given to the states, and a reduced oversight and coordination role in both fiduciary and regulatory matters, the current administration is pushing federal responsibility for national priorities onto the states, which are almost always less equipped to handle them.

While not all public policy programs should be run from the federal level, this shifting of responsibility carries consequences, particularly concerning cross-cutting issues such as poverty. Devolving national responsibility for combating poverty could exacerbate state-to-state disparities among citizen population groups as different states choose to spend varying amounts of funds to fight poverty or simply lack adequate funds to support the proper programs. As is seen with welfare benefits, unemployment insurance programs, and minimum wages, without a strong, consistent, national effort, there can often be disparities and inequalities through and between states.

How We Got to This Point

These developments did not come about by chance. They are not the result, as the current Republican leadership would have us believe, of large, unforeseen federal outlays following the tragedies of the terrorist attacks of September 11 and Hurricane Katrina. Nor were they caused by the economic slump following the bursting of the dot-com bubble, or even the heightened defense and homeland security spending of the last few years. Instead the nation’s impending budgetary crisis is the intended result of a well-funded, systematic political campaign, prescribed by policy papers reaching back many years, and continuing to this day as a pillar of the modern conservative agenda. Its philosophy of supply-side economics endorsing enormous tax cuts for the wealthy and corporations, purportedly to stimulate the economy, has dovetailed nicely with “starve the beast” tactics that call for letting the deficit explode in order ultimately to shrink the size of government and allow market forces to prevail. The result has ravaged our federal coffers, burdened state and local government, and helped solidify the largest wealth gap in nearly a century.

The modern conservative juggernaut was launched with Henry Regnery Sr.’s founding of a conservative publishing house in 1947 and with William F. Buckley Jr.’s initial publication of the monthly National Review in 1953 to expound conservative ideology but moreover to transform what he saw as “a Liberal world.” A key principle in the conservative ideology was voiced by Barry Goldwater, the 1964 Republican presidential nominee, who promised to work to repeal existing laws of big government, not pass new ones. Although Goldwater lost, a political offensive orchestrated over the next fifty years involved, as the Heritage Foundation’s Lee Edwards put it, “prescient philanthropists underwriting the thinking of the philosophers, the journals of the popularizers, and the campaigns of the politicians.”

By 2000 the National Committee for Responsive Philanthropy estimated that conservative philanthropists had spent on their top twenty think tanks (out of more than five hundred of them) $1 billion, dwarfing the amount spent on progressive think tanks.

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As David Brock describes in *The Republican Noise Machine*, this movement matured into the well-oiled machine that those “prescient” donors had envisioned, as well-funded right-wing think tanks produced scores of strategy documents that helped provide the intellectual basis for downsizing government, the news media echoed that message, and politicians began introducing legislative strategies for implementing the ideas.15

**From Reagan to Bush—the Means and Ends of an Ideology**

“Government is not the solution to our problem; government is the problem,” Reagan told an attentive nation in his first inaugural address after being sworn in as president. He explained that the government had a deficit that was burdening the next generation, that despite high taxes, government was overspending. In explaining this situation, Reagan concluded, “It is time to check and reverse the growth of government, which shows signs of having grown beyond the consent of the governed. It is my intention to curb the size and influence of the federal establishment…. ”16

Reagan’s inauguration was a milestone in the radical right’s war on government—a war whose fundamental targets are the public sphere and the very notion of the public good. In the 1954 *The Conservative Mind*, widely regarded as the seminal work of American radical conservative thought, Russell Kirk laid out the principles upon which much of the antigovernment ideology was based.17 Employing misguided and moralistic interpretations of history and human nature, Kirk defines civilized societies as those in which the status quo involving rigid class structure is maintained. To Kirk’s mind, the unit of society is the individual, who must constantly check the human nature—fueled by base emotions—which governs him.

Under this worldview, there is no role for community, no role for government beyond law enforcement, no mechanism for progress beyond the profit motive. What emerges from this chasm is the isolated individual as economic actor guided by self-interest negotiating the cutthroat free market. The America such an ideology envisions is one in which, as Theodore Roosevelt so eloquently put it, “our national life brings us nothing better than swollen fortunes for the few and the triumph in both politics and business of a sordid and selfish materialism.”18

The Reagan crusaders turned this into what they called “economic” freedom, which translated into completely unrestricted markets and the lowest possible taxes. Economic freedom was rhetorically tied to personal freedom, and personal freedom was linked to “personal responsibility,” a theme echoed again in the 1994 Contract with America and which remains a key message in the current Bush administration.

Encouraging “personal responsibility” acts as a euphemism for the process of ending governmental supports to people in need. The ideology holds that individuals should take responsibility for their situation and take actions to improve their life, whether it means finding a job or addressing family problems. This thinking justifies cutting school lunches for poor kids and wheelchair assistance programs for persons with disabilities, for example. It justifies shifting government responsibilities to the private sector amid an antiregulatory atmosphere. For example, the Reagan administration argued that seat-belt and safety-glass requirements for car manufacturers were unnecessary and overbearing government intrusions into the private sector.

In his tell-all book, *The Triumph of Politics: Why the Reagan Revolution Failed*, David Stockman discusses an endless

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stream of strategies and legislative com-
promises designed to implement the
Reagan agenda.19 Tax cuts are passed,
existing programs—mostly those serving
vulnerable populations—are cut, and the
military is strengthened. But the federal
budget never is balanced because tax
increases were forbidden and compro-
mises placed off-limits many expensive
government programs.

Stockman lays out a foreboding message
in his book. Reagan entered office
inheriting Jimmy Carter’s proposed
1980 budget that included an $80 billion
deficit.20 By April 1983 Reagan’s budget
“guaranteed $200 billion per year of
deficits for the foreseeable future” that
will “consume two-thirds of the nation’s
net private savings to fund the federal
deficit” and require “$100 billion per
year inflow of foreign capital to finance
our twin deficits—trade and the federal
budget.”21 Stockman believed that this
huge recurring deficit was not sustain-
able and that compensating tax increases
were not politically acceptable.

Stockman left government after Reagan’s
reelection. He apparently recognized that
the intellectual framework of supply-side
economics had become subordinate to the
ideological zeal to undo the reforms of
the New Deal and Great Society and the
expanded federal role that they institution-
alized. Notwithstanding Stockman’s
actions, there has been very little tension
between fiscal hawks who embrace supply-
side economics and the “starve the beast”
contingent. They claim that the federal
government has become an ineffective
behemoth sucking up the hard-earned
income of average Americans. Their joint
efforts have resulted in a ceaseless war on
social spending. Sounding the call for “tax
relief” and an end to “big government,”
conservatives have prescribed any and all
measures to decrease the federal role and
federal revenue, including a flat tax and the

elimination of entire federal departments
such as the Department of Energy and the
Department of Education.

The 1994 Contract with America repre-
sented another milestone in the agenda
to shrink the size of government. The
brainchild of Rep. Newt Gingrich (R-
GA) and the conservative pollster Frank
Luntz, the contract was a list of
Republican campaign promises, signed
by Republican House candidates. The
contract would unite the party around
values and specific political objectives
and help sweep the Republicans into
control of the House of Representatives
for the first time since 1954.

The Contract with America promoted a
strong antiregulatory agenda, limited
taxation, curtailed federal mandates,
and a constitutional amendment to bal-
ance the budget. While most of the con-
tract’s major proposals were either
watered down or never enacted, the con-
tract still represented a dramatic shift in
the legislative goals and priorities of
Congress and a concrete effort to go
beyond Reagan’s legacy of merely speak-
ing of government as the problem and to
attempt actually to eliminate it.

The Contract with America also changed
the public debate about government. In
his 1996 State of the Union address, Bill
Clinton famously said, “The era of big
government is over.” “Starve the beast”
advocates took this as a major victory,
given that they viewed Clinton as an
ultraliberal. Yet the “starve the beast”
crowd did not pay attention to Clinton’s
follow-up sentence: “But we cannot go
back to the time when our citizens were
left to fend for themselves.”22 Thus
Clinton distinguished himself from the
Goldwater-Reagan school in both his
speech and his willingness to veto
unreasonable “Contract with America”
proposals.

19David Stockman, The Triumph of Politics: Why the Reagan Revolution Failed (1986). Stockman was President Reagan’s first
director of the Office of Management and Budget.
20Id. at 358.
21Id. at 370–379.
Today, with Republican control of both houses of Congress and the White House, the threat of limited government has never appeared more real or more immediate. Frighteningly our national leaders appear to have once again embraced Reaganomics with the same vigor as in years past. The “starve the beast” mentality pervades the Bush White House, and debates in Congress focus almost solely on how many budget cuts to make and how big a tax cut is appropriate rather than whether this cutting should be undertaken at all.

For example, in the aftermath of Hurricane Katrina there appeared to be a renewed effort to spend whatever it would take to rebuild the Gulf Coast and to abandon additional tax cuts being debated at the time. However, the Heritage Foundation and conservative Republicans in the House of Representatives moved into action. Each called on Congress to offset the cost of responding to Hurricane Katrina with cuts in other programs. In effect, they said that other low-income programs, ones already vastly underfunded, should be cut to pay for the rebuilding of the Gulf Coast. Not only did Bush rule out tax increases to pay for the new initiatives, but also he actively supported congressional action to push for additional tax cuts for the wealthy, further adding to the deficit.

Hurricane Katrina was also used as an excuse for a renewed call for broad rollbacks of federal protections, specifically the Davis-Bacon fair wage laws, along with environmental and worker health and safety standards. Throughout the Bush administration there has been a sweeping assault on protections for public health, safety, the environment, civil rights, and corporate responsibility. Crucial safeguards have been swept aside or watered down; emerging problems are being ignored; and enforcement efforts have been curtailed or limited, threatening to render existing standards meaningless.

This attack on regulatory safeguards is part of the “starve the beast” agenda, furthering its goal of limiting government.

Despite the limited government path we are on, conservatives are not happy with Bush. They complain that Bush has demonstrated time and again that he does not share the small-government goals of the Goldwater-Reagan wing of the Republican Party. His record on spending and entitlements makes that abundantly clear, they maintain.

According to the Cato Institute, overall spending has increased twice as fast under George W. Bush as it did under Bill Clinton. But Cato misses the point. The Bush administration has laid the groundwork for Norquist’s long-term goal of drowning government in the bathtub.

“Defund the Left” Initiatives

Along with employing “starve the beast” tactics to undermine the ability of the federal government to improve the general welfare of the country, the modern conservative movement has concertedly sought to silence its “liberal” opposition. Public relations campaigns by the right have targeted misplaced perceptions of a liberal bias in the media and in academia. Nonprofit speech rights have repeatedly come under fire through initiatives seeking to limit money to antipoverty and public interest groups, deemed by the radical right to be categorically liberal, and force them out of the public discourse.

The war on nonprofit speech saw its first major skirmish in 1983 when the Reagan White House through its Office of Management and Budget published a proposal to limit nonprofit federal grantees from engaging in “political advocacy,” which was sweepingly defined as “attempting to influence a government decision” at any level of government.

23 GENE HEALY, CATO INSTITUTE, THE ERA OF BIG GOVERNMENT CONSERVATISM (2004), www.cato.org/dailys/02-01-04.html. According to Healy: “And you can’t just chalk that up to the demands of the war on terror. Non-defense discretionary spending is up 24 percent over the first three years of the Bush administration. That’s a worse record than any president since Lyndon Johnson. The cabinet department whose budget grew the most under Bush isn’t the Pentagon—it’s Education, followed by Labor. The Department of Defense is fifth.”

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Heritage Foundation’s recommendations to the incoming Reagan administration to

- “[i]mpose some sort of lobbying and advocacy restriction on any organization receiving federal funds” (even if such organization were paying all such costs with nonfederal funds);

- “[s]pecify the type of such ‘informational’ activity that can be done with federal grants”; and

- “[l]imit the circumstances under which grants and contracts can go to groups organized primarily for lobbying and advocacy.”25

After a firestorm of protest, the Reagan proposal was largely defeated. But it left a chilling legacy for nonprofit organizations: choose federal funding or advocacy.

Similar attacks were launched under the Contract with America in 1995, when an appropriations rider that would have significantly curtailed nonprofit organizations continuing to advocate on behalf of the public interest was introduced in the House of Representatives. A classic example of “defund the left” efforts, the bill, which came to be known as the Istook Amendments, would have devastated the entire nonprofit sector, particularly smaller community-based organizations and direct-service providers by restricting federal grantees’ use of privately raised funds.26 After a protracted battle involving the united efforts of the nonprofit community, the bill was defeated in the Senate.

Attacks on nonprofit speech continue to this day. A nonprofit gag provision contained in the Housing Finance Reform Act, passed by the House in 2005, would create funds for low-income housing but would limit the advocacy rights of participating nonprofit organizations. For example, the bill would prohibit nonprofit organizations from receiving money from a new affordable-housing fund if they engaged in nonpartisan voter engagement activities.27 Many low-income housing advocates found this unacceptable and argued that protecting First Amendment rights and democratic principles had to supersede the funding of a program that they had long worked to establish. This is exactly the type of Hobbesian nightmare that the “starve the beast” advocates hope to force on the nonprofit sector: speak out on public policy concerns or receive funding.

What’s Wrong with This Picture?

The most troubling aspect of the strategy to defund, deregulate, and devolve is the disconnect between rhetoric and reality. The result of such policies seems to correspond in no way to the rhetoric used to justify it. First, in many instances, the market is not the best provider of goods and services, and it often fails to account for “externalities” that protect workers, consumers, and the environment.

Second, casting off or neglecting the federal role, particularly its coordination and oversight responsibility, for a variety of different priorities increases burdens on states, particularly poorer states, and leads to gross disparities in the quality of services from state to state.

And, third, the inefficacy of government social initiatives cited by the “starve the beast” ideologues is in large part a mis-characterization. In the instances when an argument could be made for social program inefficacy, the lack of results is, more often than not, due more to a lack of political will and full funding for such programs than their being inherently governmental.

The market fails to provide for the public good in a number of critical instances.


26The legislative proposals were sponsored by Representatives Ernest Istook, David McIntosh, and Robert Ehrlich. They were called the Istook Amendments because Istook was the lead sponsor.

27For more information on this issue, see Resource Center: New Nonprofit Gag Provision in House GSE Bill, OMB Watch, Oct. 15, 2005, www.ombwatch.org/gseresourcecenter. Sheila Crowley of the National Low-Income Housing Coalition, has led in trying to stop this heinous provision.
Take the nation’s housing market: For example, minimum-wage workers in Connecticut would each have to work 109 hours per week, 52 weeks a year with no days off or holidays, in order to afford the fair market rent for a two-bedroom apartment without spending more than 30 percent—a standard percentage—of their income on housing. And, while the Supplemental Security Income (SSI) program—a support for the elderly and disabled who have severe limits on their ability to work—pays an individual in Connecticut $579 per month, the fair market rent for a two-bedroom apartment is $1,004. While this is a regional example, there is no place in America where a minimum-wage worker can afford the fair market rent.28

The market often fails to protect the public and the environment. Examples abound, from Upton Sinclair’s grim portrayal of the results of industry left to its own regulation to recent, enormous failings of regulatory policy, particularly the failure of the Mine Safety and Health Administration to develop and implement new safety standards and to enforce existing regulations meaningfully. Time and again, the lack of regulation and diligent oversight at the federal level has been shown to have dangerous consequences.

Devolution creates enormous state-by-state disparities in the quality of the most basic social services. For example, the nation’s unemployment insurance program, the primary safety net for temporarily out-of-work Americans, functions as a block grant program, under which each state determines its own rules governing benefit levels and eligibility. As a result, variations among states are enormous. For example, an unemployed worker who has two children and a spouse and who had worked forty hours per week at minimum wage would receive $202 a week in Alaska, the nation’s most generous unemployment insurance provider. The same worker living in Arkansas or Ohio would receive roughly half that amount or $103 a week.29

A primary reason we have not seen major successes from federal programs is that our federal government has been dabbling. The lack of political will and commitment by our national leaders in tackling poverty and addressing inequity is clearly evidenced in the quip President Reagan made on many occasions, “My friends, some years ago the federal government declared war on poverty—and poverty won.”30

We have seen this lack of principled consistent leadership on poverty issues, in programs such as the Low-Income Home Energy Assistance Program assisting low-income Americans. Federal funding levels for the program have stagnated, falling behind the growing number of households in need of and eligible for assistance. In fact, at current funding levels, the program now serves only 17 percent of the eligible population.31

Probably the most widely criticized example of our leadership’s failure in fully funding social initiatives is that of Head Start. The program began in 1965 to provide a variety of services necessary for success in early education to low-income children to help bolster their lifelong academic achievement. A 2005 U.S. Department of Health and Human Services report on the impact of Head Start found that the program improved children’s prereading skills, prewriting skills, and vocabulary.32 After less than one school year, Head Start narrowed the achievement gap in reading by 45 percent and even increased the practice of reading to children by parents. Despite the program’s well-documented

successes, Head Start has lacked adequate funding for years and currently serves less than 50 percent of eligible preschoolers.

How Do We Fix This Problem?

We are not pretentious enough to believe that we have the answers for undoing the “starve the beast” strategy that has pervaded the nation’s capitol. We also do not believe that the answer is as simple as a “throw the bums out” approach, although strengthening voter participation and holding our elected leaders accountable are certainly part of the solution. Although remedies are complex, our experiences over the past two years in talking with national, state, and local advocates about addressing the inadequate base of revenues, the shrinking role of government, and the shifting of federal responsibility to state and local governments and to nongovernmental entities (both for-profit and nonprofit) has generated some exciting ideas.

We conducted strategy sessions in different parts of the country, held a national retreat, conducted online surveys, and interviewed hundreds of groups from around the country. Five common themes emerged:

- **Develop a Vision.** People talked about getting back on the offensive but stressed that we need a longer-range vision. Such a vision might be expressed in lofty terms, or as basic rights (e.g., food), or as a description of what a “healthy community” might be. But most agreed that we lack a coherent vision.

- **Develop Progressive Tax Policies and Principles.** Even as a vision is developed, we must develop fair tax policies and principles that ensure an adequate revenue base to implement the vision properly.

- **Change the Language We Use.** Many felt that the language we use is too “tired,” too “off-putting,” or too “alienating.” Although many of the people we talked with did not know “framing” leaders such as George Lakoff, they talked about the same ideas, creating the right symbols and metaphors that resonate with large portions of the body politic.33

- **Address the Attacks on Role of Government.** In one strategy session in the South, a person said, “We have been Norquisted,” referring to the “starve the beast” leader Grover Norquist. Many people feel we must directly undertake efforts to stop the attacks on government. They feel that changing the language we use may prove useful in tackling this agenda.

- **Strengthen Civic Participation.** The idea of strengthening civic participation encompasses everything from building capacity to engage in public policy debates to holding elected leaders accountable to reducing the influence of money in politics. The idea includes renewed efforts to strengthen voter participation and to change the rules on voting to make it easier for all Americans to vote.

To translate these themes into action requires a break with tradition. Michael Shellenberger and Ted Nordhaus discuss, in an article entitled “Death of Environmentalism,” the failing efforts of the environmental movement to address global warming.34 While some may argue with some of the elements in the article or be uncomfortable with their tactics, the underlying points are critical and apply equally to those who are fighting against poverty and to those engaged in environmental activism.

Shellenberger and Nordhaus argue that the theory of change that may have worked well from the 1960s to the 1980s no longer works in today’s world and that a paradigm shift is needed. According to them, “[t]he three-part strategic framework hasn’t changed in 40 years: First,

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33George Lakoff is professor of linguistics at the University of California, Berkeley, and senior fellow at the Rockridge Institute, www.rockridgeinstitute.org. He has written numerous books, and his 2004 book, DON’T THINK OF AN ELEPHANT: KNOW YOUR VALUES, FRAME THE DEBATE, has become a seminal piece on the need for framing.

define a problem (e.g., global warming) as ‘environmental.’ Second, craft a remedy (e.g., cap-and-trade). Third, sell the technical proposal to legislators through a variety of tactics, such as lobbying, third-party allies, research reports, advertising, and public relations.” Others who have reviewed their article add that the environmental community has the added advantage of more money and a base that is more politically diverse than other causes—so the strategic framework must really not work.

Strikingly those who work on poverty issues follow the same strategic framework, although we do not have the same resources or range of political diversity that environmentalists have. We define the problem as about “poverty.” We craft a remedy based on thorough policy research. Then we launch the campaign to advocate the policy research. Whether it is defensive or offensive strategies, the outcome more often than not is we lose. (At times we are successful in getting policymakers to address the problem, but the results can be far from what we are seeking in the first place.)

The result of this strategic framework is that we have created silos of policy expertise often functioning independently of one another and resulting in real competition over like-minded agendas. This competition is over money as well as for public attention and focus.

In responding to “Death of Environmentalism,” Mark Schmitt focuses on what Shellenberger and Nordhaus call “policy literalism,” a term connoting many of the problems that silos bring. Schmitt writes, “If you want to get beyond policy literalism and find ideas that unite all progressive forces, restoring revenues to the federal government would be a place to start.”35

We agree. We think that advocates of human services need a three-part strategy. First, we need to work on restoring faith in government generally. Second, we need to address the inadequate revenue base with tax principles and policy changes that are fair, progressive, and sustainable. And, third, we need to begin serious discussions about moving on the offensive to battle new areas of unaddressed or forgotten poverty. It is time to talk once again about improving quality of life for all Americans.

Such an ambitious strategy must be done smartly and in an incremental and consistent way. We should be planning for the next ten years or more, not for the next year or the next election cycle. We need to incorporate and promote the helpful work of organizations such as Demos and the Center for Democracy and Citizenship Program at the Council for Excellence in Government, which are jointly working with the Frameworks Institute on developing language and symbols that connotes the positive role of government.36

We should also heed the message of those who argue that our past strategies for organizing may no longer work, even if they have been successful decades ago. We may need to shift our focus and organize around values that bring our many silos together instead of around program initiatives and legislative bills that can split us apart. And we may need to reach out to new constituencies to build stronger alliances and new partnerships. In this way we may win the hearts and minds of the middle class once again and develop a theme that unites a wide array of progressive organizations around a common goal.

For the Bush administration, the ownership society has become such a unifying theme that covers a variety of domestic proposals. The establishment of private accounts within social security is clearly the highest-profile item for this administration, but far from the only one: The established health savings accounts, together with homeownership incentives, reemployment savings accounts, expansion or elimination of contribution limits for 401(k) and individual retirement


accounts, and even overall tax reform, would all be components of an “ownership society” model. And they appear highly attractive to the middle class, who see this as an opportunity to climb up the rungs of the economic ladder.

But former Labor Secretary Robert B. Reich douses this implicit hope of a more egalitarian distribution of wealth as the end result of such a model: “Face it: The Republican ‘Ownership Society’ is hokum. Ownership of America is now more concentrated than since the days of the Robber Barons of the 19th century. The richest 1 percent of America owns more than the bottom 90 percent put together.” Reich argues that the middle class has more in common with the poor and the working poor than it will ever have with the ruling elite of the country under current policy structures. Yet politically the middle class has increasingly sided with the hard-to-be-against “ownership society” model propagated by the starve-the-beasters.

If human service advocates hope to combat and eventually undo the “starve the beast” agenda, they must forcefully aim at winning over the middle class once again. We must use the frames that best help the middle class see that addressing quality of life helps them and their families. And we must focus on having an adequate, progressive revenue base that meets our spending needs.

Recent actions on tax issues in a number of states, particularly Republican controlled states, offer some hope. In one particularly salient victory among a handful recently, a combination of labor, education, and environmental advocates teamed with transportation and construction companies to win bipartisan support for the repeal of a harmful spending limit in Colorado last year. The limit is the essence of the “starve the beast” philosophy—forcing automatic tax cuts whenever the state government runs a surplus. This provision limited the ability of the citizens of Colorado, acting through their state government, to invest in transportation, education, and other aspects of civil society and adapt to changing economic conditions throughout the state. The provision’s repeal should be an example for others that there are other ways—we are not slaves to the “starve the beast” model.

While the individual victories at the state level are heartening, we hope that in this article we make abundantly clear that we are at a crossroads with respect to federal priorities. The current path is one with large deficits as far as the eye can see and is unsustainable. The result inevitably will be a smaller, more passive federal government on domestic issues—and achieves a long-range agenda to starve the beast, as conservatives call it. The other path creates a federal government that is responsive to public needs; it recognizes that government has a responsibility to protect the public trust, public spaces, the public interest, and all citizens. This path results in revenues that meet the vision we all have for reducing inequality and achieving an improved quality of life. But this latter path requires us to speak out for change and to operate in new ways. It is too late for us not to.