



THE GRAND BARGAIN PROJECT

The Practical Steps that will Resolve America's Critical Economic Problems
and Thereby Save Our Democracy

December 1, 2023

The Center for Collaborative Democracy is a 501(c)3 non-profit organization that grew out of the MIT-Harvard Public Disputes Program. We work with experienced practitioners in conflict resolution, behavioral economics and game theory in order to develop innovative methods for resolving societal ills that established institutions are failing to remedy.

Why Our Republic Will Continue to Break Down, Unless We . . .

American voters and politicians are so divided that whoever wins the 2024 election, there is no scenario by which the president, a majority of the House and 60 senators will agree on practical solutions for any of our critical problems.

These problems will therefore grow worse, further stoking Americans' hostility toward one another and their anger about our political system.

To prevent that system from coming apart, the Center for Collaborative Democracy is taking steps that have resolved over 200 political controversies in which elected officials failed to bridge their differences. Yet in each case, representatives for businesspeople, consumers, environmentalists, labor unions, civil rights groups and other major stakeholders — frustrated by years of political stalemate — worked out agreements that all sides saw as advancing their long-term interests.

To produce equivalent results that all sectors of our society can support, we have identified the 100 people outside government whom voters in each sector would most trust to speak for them.

In the next two months, we will invite the 100 to sit down together to work out a wide-ranging agreement by which virtually every American will fare far better than on our country's current course.

To show the 100 that agreement is within their grasp, we have enlisted a team of prominent former policymakers and think tank leaders to work out a combination of solutions for our country's gravest problems, so that families in every sector will have far greater opportunities to thrive. We have received the team's recommendations for addressing:

- Declining social and economic mobility
- Many Americans lacking the education and skills to thrive in today's economy
- The most costly and inefficient health care system in the developed world
- Increasingly destructive climate change
- Unsustainably rising debt
- A 75,000-page tax code filled with perverse incentives

When we convene the 100 trusted spokespeople, we will ask them to use the team's proposals as a starting point for negotiating a far more detailed economic-environmental agreement that all sectors of our society can support.

We will then help each of the 100 show his/her constituents how the pact would improve their families' lives far more than any politically feasible alternative. We expect that message to appeal especially to the "exhausted majority," the 60 percent of voters who deplore the cultural warfare that now dominates politics. The exhausted majority could thereby coalesce into the largest voting bloc in the next election.

We call this endeavor the Grand Bargain Project. Without the steps proposed here, we believe we can show that our country will become a failed state within the next two years.

Evidence This Project is Necessary for Our Society to Overcome the Forces that have been Tearing Us Apart

Some years ago, with Congress at an impasse over nearly every aspect of environmental policy, 25 advocates for the various opposing sides met to break the stalemate. They included top executives from Dow Chemical, General Motors and Chevron Oil; leaders of the Sierra Club, Environmental Defense Fund and World Resources Institute; the chair of the African American Leadership Summit; the director of the EPA; and the president of the AFL-CIO.

Over a series of meetings, these 25 long-time adversaries put together a detailed grand bargain for significantly reducing “pollution, waste and poverty,” while increasing “jobs, productivity, wages, capital, savings, profits, knowledge and education.”¹ Among its provisions: Major corporations would support much stricter environmental standards if given far more latitude to choose the technologies by which they met those benchmarks.

Each CEO then persuaded their industry association to support this plan as far better than any politically feasible alternative. Each environmentalist won over other environmental groups. The labor leader sold the plan to other unions. And each federal official enlisted the relevant agencies.

Yet congressional leaders from both parties rejected the plan, saying that members of their caucus could not sell such a complex agreement to their diverse voters.

Indeed, each congressperson’s constituents are so diverse — ranging from business owners to the unemployed; from high-school drop-outs to advanced-degree holders; from 18 to 90+ — that former lawmakers we have interviewed have lamented that they could not figure out how to resolve any divisive issue in a way that most of their voters would accept.

In stark contrast, representatives for stakeholding groups that we have interviewed have nearly all worked on their own group’s behalf long enough to fully understand their needs and earn their trust. As a result, each representative felt confident that if he/she negotiated a deal advancing the group’s best interests, they would support it.

How, then, can a hyperpolarized American public reach agreement on how to resolve our gravest problems?

We have identified the 100 individuals *outside* government whom voters in each sector of our society would most trust to speak for them.

In early 2024, we will provide these trusted individuals with the tools to resolve our country’s chronic problems in ways that voters in each sector could support.

¹ See “A New Consensus for Prosperity, Opportunity and a Healthy Environment,” U.S. Government Printing Office, 1996; https://clintonwhitehouse4.archives.gov/PCSD/Publications/TF_Reports/amer-top.html

To Make Major Progress on Our Economic and Environmental Ills in the Next Two Years, the Grand Bargain Project is Unfolding in Four Phases:

Phase 1

PURPOSE: To show every sector of our society that they can have a far brighter future, but only if they collaborate with one another, and do so outside our broken political system.

For that purpose, we have enlisted 13 prominent former policymakers and think tank leaders (listed in Appendix I) to generate an economic-environmental pact that would benefit every sector of society far more than any politically feasible alternative.

The team first met on June 21, 2023, seeking to resolve the six chronic ills listed on page 1:

- Declining social and economic mobility
- Many Americans lacking the education and skills to thrive in a high-tech, global economy
- The most expensive and inefficient health care system in the developed world
- Increasingly destructive climate change
- Unsustainably rising debt
- A 75,000-page tax code filled with perverse incentives

Practical long-term solutions for each issue have, until now, faced three insurmountable obstacles:

- 1) Most politicians can win and stay in office just by offering emotionally charged slogans as remedies.
- 2) Groups that benefit from the status quo have had enough political clout to block major reforms.
- 3) Nearly every person avoids costs far more intently than they seek equivalent gains — which behavioral economists call “loss aversion.”² As a result, voters who see a piece of legislation as placing a burden on them usually oppose it far more vigorously than supporters work to enact it.

However, current policies on all six issues are so flawed, so costly, that by tackling all of them simultaneously, the expert team has found various ways to significantly increase the total benefits to society while lowering the total costs.

The team has thereby agreed on a combination of reforms by which every sector of society and every interest group would fare far better than if our country remains on its current trajectory.

We have also begun to enlist prominent former governors and cabinet secretaries to evaluate the expert team’s plan when completed. We expect that nearly all will see it as far superior to what they believe a hyperpolarized Congress can do. But if some withhold approval, the project will still move forward.

² See D. Kahneman and A. Tversky, “Prospect Theory: An Analysis of Decision under Risk,” *Econometrica*, (March 1979)

Phase 1 is projected to cost \$542,000, which we have raised. The budget is available on request.

Phase 2

We hired Ipsos and Embold Research to conduct national surveys to identify the 50 public figures outside government whom voters would most trust to speak for them on the six issues. Their results are almost identical, giving us confidence that their lists are statistically valid.

We intend to show the 50 that participating in the project as the “public’s advocates” will be their best chance to help the people they care about to prosper in the coming years. Whereas if they don’t participate, they will be leaving everyone’s fate in the hands of our broken political system.

By the same means, we will also invite participation from leaders of the 50 organizations most politically active on the six issues: the AFL-CIO, National Federation of Independent Business, AARP, the U.S. Chamber of Commerce, NAACP, Hispanic Chamber of Commerce, National Wildlife Federation and so on.

Phase 2 is projected to cost \$1.9 million. The budget is available on request.

Phase 3

We will then convene the 100 public and organizational advocates. We will identify and publicize them as the Forum for Nationwide Prosperity and Opportunity.

To start, we will convey our purpose, in words such as:

Our goal is to help you reach an agreement that all of you see as far superior to what you can get by continuing to clash on Capitol Hill. To produce the pact in time to prevent our democracy from breaking down, we ask that you start with the preliminary grand bargain that the former policymakers far prefer over the status quo. You are free to modify any part of it. And the rest of the structure is entirely yours to design.

We will then ask each public and organizational advocate to evaluate the preliminary grand bargain.

Given that 67 percent of Americans fear that our democracy is in danger of collapse³ — and more than 75 percent see the country as headed in the wrong direction⁴ — we expect most of the advocates to prefer this initial package over the country’s current trajectory.

We will also ask each advocate what changes they would most want.

Once all the proposed changes are in hand, the advocates will form a separate working group for each issue, to figure out what changes to the original proposal would appeal to the greatest number of advocates.⁵ Each working group will have a staff of policy experts to help with the details.

³ Quinnipiac University poll, Aug. 31, 2022

⁴ Associated Press-NORC Center for Public Affairs Research poll, June 29, 2022

⁵ The members of each working group will be chosen so as to represent the entire Forum as closely as feasible.

Once all the modifications are ready, each working group will choose two co-chairs who will meet as a Group of 12 to integrate the changes into a complete package encompassing all six issues.

We will again ask each of the 100 advocates to evaluate whether he/she prefers the total package over the status quo and, if not, what further changes they seek.

With those changes in hand, the above process will be repeated one more time. By then, we expect that more than 80 percent will prefer the result over what they could possibly get on Capitol Hill.

We will then work with any holdouts to satisfy reservations they have about the deal being formulated. Part of our message: By supporting this grand bargain, you can keep pursuing your other objectives while your constituents would reap the benefits of this deal.

We expect most holdouts will be discontent with the country's current trajectory, will not want to end up empty-handed, and will therefore try their best to reach an agreement with the rest.

Phase 4

In the spring of 2024, with the above phase still in progress, we will help each advocate tailor a message to his/her constituents, showing them how the key provisions of the grand bargain would improve the quality of their lives — much more than our two-party system seems capable of. This will include helping each advocate produce a brief video and website making his/her case.

We will then conduct deliberative polls nationwide to show the level of public support for the grand bargain. Each poll will consist of convening a group of citizens who cover the socio-economic-political spectrum. We will ask each person to rate various proposals for the six issues and, based on their responses, show each the relevant pitch for the grand bargain. They will then discuss their experiences with one another. We expect these events to draw significant media coverage.

We will also seek support for the grand bargain from political commentators, media figures, good government organizations, local civic groups and, where appropriate, on social media.

The expected costs for Phases 3 and 4 are \$5.5 million. The budgets are available on request.

Mobilizing Enough Public Support to Save Our Democracy

In 90 percent of congressional districts and 85 percent of states, one party dominates — so candidates can win primaries just by catering to very partisan voters, then cruise to victory in the general election.⁶

Meanwhile, the 60 percent of registered voters outside the extremes, often called the “exhausted majority,” have policy agendas all over the map, neutralizing them as a political force.

Partisan zealots on the left and right thereby wield influence far out of proportion to their numbers.⁷

⁶ “Taking the Voters Out of the Equation: How the Parties Are Killing Competition,” *New York Times*, Feb. 6, 2022

⁷ “We See the Left. We See the Right. Can Anyone See the Exhausted Majority?” *New York Times*, Mar. 24, 2021

To alter that imbalance would require motivating the exhausted majority to vote in record numbers for a coherent policy agenda. The strongest motivation could be:

The people you most trust are showing you that the grand bargain is the best opportunity for your family to thrive. That pact will become law only if you vote for candidates who endorse it — especially in primaries, where just 20 percent of registered voters show up on average.

So, if 15 percent of voters in your state or district sign online pledges to vote for candidates who endorse the grand bargain, candidates will have strong incentives to support it and, if elected, to enact it.

CCD, as a 501(c)3, cannot make this pitch. But (c)4s having a centrist, pro-environment, pro-fiscal-responsibility, pro-economic-mobility or pro-democracy agendas would have every incentive to do so.

Obstacles to Success and Our Plans to Overcome Them

In Phase 2, many Americans may not weigh the issues enough to know who would best represent them.

But most citizens can name individuals they would trust to speak for them. And those spokespeople will be in the best possible position to win their voters' support for the agreement. Whereas if we do not enlist such advocates, many voters may ignore the Forum's recommendations.

Among the 50 advocates whom the public supports, several will prefer divisive slogans and grandstanding rather than negotiating with ideological adversaries.

For that reason, Forum meetings will be held in private, so that members will have no audience or cameras to grandstand to. Also, Forum meetings will be led by facilitators experienced in helping diverse people to bridge their differences. And any who decline to negotiate are likely to be ignored by those who want to reach agreement.

Some voters will object to private meetings.

Every constructive political agreement that we know of was hammered out behind closed doors, so that the participants could talk candidly with one another. We cannot imagine anyone being able to resolve our country's most divisive issues unless they too can talk candidly and in private. We will still provide periodic public briefings about the Forum's proceedings. And the eventual agreement will be made public in its entirety, so that each voter can decide how much it would advance their interests.

Various media will spread conspiracy theories about the Forum and distort its recommendations.

Media spreading disinformation will keep undermining our society unless voters get the opportunity to name whom they trust to speak for them. Those trusted individuals, and they alone, could persuade most voters to ignore the lies and distortions.

The Forum is unlikely to change the minds of voters who embrace tribalism, nihilism or extremism.

Our objective is to offer Americans a policy agenda that the vast majority will see as being in their best interests. That strikes us as the strongest way to motivate most citizens to reject tribalism and extremism.

In Summation

In our current elections, politicians who attack opponents can win far more easily than those who try to bridge differences. Various media have learned that they too can draw the largest audiences by stoking divisiveness. Our democracy has therefore been eroding to the point of breakdown.

Indeed, whoever wins the presidency or most seats in Congress in 2024, the two parties are virtually certain to deadlock over how to resolve our country's chronic problems. America is, in effect, on the verge of becoming a failed state.

We therefore propose to:

- Convene a group of representatives such that nearly every American sees at least one as a spokesperson they trust
- Provide these representatives with the incentives and resources to work out a combination of reforms that will significantly advance their constituents' long-term interests
- Help the representatives mobilize their constituencies to support the result

Ambitious, yes. But when we have asked political activists or think tank leaders to suggest simpler ways to bridge our nation's differences on critical issues, we have not heard a practical alternative.

To move the project forward, we have enlisted a Board of Advisors (see Appendix III); and formed a Project Steering Committee that we are seeking to expand. Its current members are:

- **David Fairman**, managing director of the Consensus Building Institute
- **Rob Fersh**, founder and former president of Convergence Center for Policy Resolution
- **Jerry Taylor**, co-founder and former president of the Niskanen Center
- **Kabrina Bass**, chair of the National Association for Community Mediation
- **Richard Eidlin**, co-founder of the American Sustainable Business Council
- **Sol Erdman**, founder and president of the Center for Collaborative Democracy

The members of the committee agree that, "We have yet to see any other actionable plan for grappling with the critical issues that our democracy must confront if the American people are to thrive."

Indeed, various organizations have spent billions of dollars trying to bridge our nation's divisions in recent years, yet our country keeps growing more divided. And the \$30+ billion that will be spent on the coming election campaign will further stoke Americans' animus toward one another.

This project will cost \$8 million. Its potential payoff is far greater than any recent endeavor we know of.

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Rick Hanushek. Senior Fellow, Hoover Institution (Stanford), specializing in economic analysis of educational issues. Won the Yidan Prize for research.

Bill Hoagland. Senior Vice President, Bipartisan Policy Center. Former Director of the Senate Budget Committee. Participated in major federal budget negotiations throughout the 1980s and 1990s.

Douglas Holtz-Eakin. Founder and President, American Action Forum. Former Chief Economist of the President's Council of Economic Advisers. Former Director of the Congressional Budget Office.

Glenn Hubbard. Dean Emeritus of Columbia Business School. Former Deputy Secretary at Treasury. Former Chair of the President's Council of Economic Advisers.

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Eugene Steuerle. Fellow, Urban Institute. Former Deputy Secretary for Treasury. Co-founder and former President of National Tax Association. One of the chief architects of the 1986 Tax Reform Act.

		2024					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Fundraising for Phase 1 Complete							
Expert Team Preliminary Grand Bargain -- Completed							
Recruiting Project Management Team -- Completed							
Enlist High-Profile Former Governors and Cabinet Secretaries to Endorse Preliminary Pact							
Publicize Preliminary Grand Bargain							
Fundraising for Phase 2							
Polling to Identify 50 Public Advocates Completed							
Enlist 50 Public Advocates							
Enlist 50 Organizational Advocates							
Fundraising for Phases 3 & 4							
Planning and Recruiting Additional Staff for Phases 3 and 4							
Advocate Working Groups Revise Grand Bargain so as to Maximize Approval							
Communication Experts Help Each Advocate Develop Presentation of GB's Key Points to Constituents							
Advocate Working Groups Refine GB Throughout 2024 to Maximize Approval and Improve Language							

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LARRY DIAMOND senior fellow, Hoover Institution; founding co-editor, Journal of Democracy

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