In praise of pork

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In a White House address last March, President Bush challenged Congress to cut $5.7 billion of pork barrel projects to help reduce the deficit. Among the projects Bush proposed eliminating were such congressional favorites as funding for asparagus research, mink reproduction, and local parking garages. The examples he cited would be funny, said the President, "if the effect weren't so serious." Bush announced he would work with House Republicans to bring these items to a vote individually—a strategy designed to embarrass congressional Democrats before the November elections by forcing them to take public stands on scores of questionable programs.

But Bush never received the individual votes he wanted. What he got instead was a one-shot $8.2 billion omnibus spending-reduction package, passed by veto-proof margins in both the House and Senate. While the measure's budget reductions far exceeded the amount requested by the President, it left intact most of the specific programs that Bush had targeted for extinc-
tion. Moreover, the vast majority of the bill's spending cuts ($7.2 billion) came from defense programs. In an act of pork barrel revenge, the measure also eliminated approximately $2 million of special executive-branch research projects—a reminder to Bush that Congress does not take kindly to attacks on its ability to bring home the bacon.

Such episodes are a regular occurrence in Washington. Indeed, since the first Congress convened in 1789 and debated whether to build a lighthouse to protect the Chesapeake Bay, legislators of both parties have attempted to deliver federal funds back home for capital improvements and other projects, while presidents have tried to excise pork from the congressional diet. During his first one hundred days in office, for example, Jimmy Carter announced that he intended to terminate funding for some 320 water projects he said were wasteful and environmentally unsound. The only thing that came to an end, however, was the Carter honeymoon on Capitol Hill. Ronald Reagan vetoed spending for more than 120 special highway "demonstration" projects in 1987. When the override vote came, however, even top Republicans voted against the President in order to maintain the flow of funds to their districts.

**Is pork necessary?**

In recent years, public outrage over government waste has run high. Many observers see pork barrel spending not only as a symbol of an out-of-control Congress but as a leading cause of the nation's worsening budget deficit. To cite one prominent example, *Washington Post* editor Brian Kelly claims in his recent book, *Adventures in Porkland: Why Washington Can't Stop Spending Your Money*, that the 1992 federal budget alone contains $97 billion of pork projects so entirely without merit that they could be "lopped out" without affecting the "welfare of the nation."

Kelly's claims are surely overblown. For example, he includes the lower prices that consumers would pay if certain price supports were withdrawn, even though these savings (while certainly desirable) would for the most part not show up in the government's ledgers. Yet reductions in pork barrel spending have also been advocated by those who acknowledge that pork, properly measured, comprises only a tiny fraction of total federal outlays. For example, Kansas Democrat Jim Slattery, who led
the battle in the House in 1991 against using \$500,000 in federal funds to turn Lawrence Welk’s birthplace into a shrine, told Common Cause Magazine, “it’s important from the standpoint of restoring public confidence in Congress to show we are prepared to stop wasteful spending,” even if the cuts are only symbolic. In a similar vein, a recent Newsweek cover story, while conceding that “cutting out the most extreme forms of pork wouldn’t eliminate the federal deficit,” emphasizes that doing so “would demonstrate that Washington has the political will to reform its profligate ways.”

The premise of these statements is that the first thing anyone—whether an individual consumer or the United States government—trying to save money should cut out is the fluff. As Time magazine rhetorically asks: “when Congress is struggling without much success to reduce the federal budget deficit, the question naturally arises: is pork really necessary?”

Our answer is yes. We believe in pork not because every new dam or overpass deserves to be funded, nor because we consider pork an appropriate instrument of fiscal policy (there are more efficient ways of stimulating a \$5 trillion economy). Rather, we think that pork, doled out strategically, can help to sweeten an otherwise unpalatable piece of legislation.

No bill tastes so bitter to the average member of Congress as one that raises taxes or cuts popular programs. Any credible deficit-reduction package will almost certainly have to do both. In exchange for an increase in pork barrel spending, however, members of Congress just might be willing to bite the bullet and make the politically difficult decisions that will be required if the federal deficit is ever to be brought under control.

In a perfect world it would not be necessary to bribe elected officials to perform their jobs well. But, as James Madison pointed out two centuries ago in Federalist 51, men are not angels and we do not live in a perfect world. The object of government is therefore not to suppress the imperfections of human nature, which would be futile, but rather to harness the pursuit of self-interest to public ends.

Unfortunately, in the debate over how to reduce the deficit, Madison’s advice has all too often gone ignored. Indeed, if there is anything the major budget-reform proposals of the last decade (Gramm-Rudman, the balanced-budget amendment, an entitle-
ment cap) have in common, it is that in seeking to impose artificial limits on government spending without offering anything in return, they work against the electoral interests of congressmen instead of with them—which is why these reforms have been so vigorously resisted.

No reasonable observer would argue that pork barrel spending has always been employed as a force for good or that there are no pork projects that would have been better left unbuilt. But singling out pork as the culprit for our fiscal troubles directs attention away from the largest sources of budgetary growth and contributes to the illusion that the budget can be balanced simply by eliminating waste and abuse. While proposals to achieve a pork-free budget are not without superficial appeal, they risk depriving leaders trying to enact real deficit-reduction measures of one of the most effective coalition-building tools at their disposal.

What is pork?

In order to appreciate why congressmen are so enamored of pork it is helpful to understand exactly what pork is. But defining pork is not as easy as it sounds. According to Congressional Quarterly, pork is usually considered to be “wasteful” spending that flows to a particular state or district in order to please voters back home. Like beauty, however, waste is in the eye of the beholder. As University of Michigan budget expert Edward M. Gramlich puts it, “one guy’s pork is another guy’s red meat.” To a district plagued by double-digit unemployment, a new highway project is a sound investment, regardless of local transportation needs.

Some scholars simply define pork as any program that is economically inefficient—that is, any program whose total costs exceed its total benefits. But this definition tars with the same brush both real pork and programs that, while inefficient, can be justified on grounds of distributional equity or in which geographic legislative influence is small or nonexistent.

A more promising approach is suggested by political scientist David Mayhew in his 1974 book, Congress: The Electoral Connection. According to Mayhew, congressional life consists largely of “a relentless search” for ways of claiming credit for making good things happen back home and thereby increasing the likeli-
hood of remaining in office. Because there are 535 congressmen and not one, each individual congressman must try to "peel off pieces of governmental accomplishment for which he can believably generate a sense of responsibility." For most congressmen, the easiest way of doing this is to supply goods to their home districts.

From this perspective, the ideal pork barrel project has three key properties. First, benefits are conferred on a specific geographical constituency small enough to allow a single congressman to be recognized as the benefactor. Second, benefits are given out in such a fashion as to lead constituents to believe that the congressman had a hand in the allocation. Third, costs resulting from the project are widely diffused or otherwise obscured from taxpayer notice.

Political pork, then, offers a congressman's constituents an array of benefits at little apparent cost. Because pork projects are easily distinguished by voters from the ordinary outputs of government, they provide an incumbent with the opportunity to portray himself as a "prime mover" who deserves to be reelected. When a congressman attends a ribbon-cutting ceremony for a shiny new building in his district, every voter can see that he is accomplishing something in Washington.¹

The quest for local benefits

The idea that congressmen work relentlessly to supply pork to their districts, even at the expense of the wider public interest, has a distinguished pedigree. In a 1975 Public Interest article, "The Social Pork Barrel," David Stockman (a then-obscure legislative aide to John Anderson) condemned liberal and conservative congressmen alike for subordinating the proper aims of social policy to their desire to shower the benefits of government programs on as many constituent groups as possible. In the case of the Title I compensatory-education program, for example,

¹This conception of pork, to be sure, ignores a great deal of special-interest influence on Congressmen affecting environmental and product-safety regulations, agricultural subsidies, and trade restrictions, among other things. But if everything government does is pork, nothing is. Part of what makes pork special, at least in terms of fiscal policy, is that most of its costs directly result in budgetary outlays. What truly distinguishes pork from generic special-interest legislation, however, is that members of Congress—owing to the electoral imperative—have a much greater personal stake in the former than in the latter.
Stockman described how Congress took a program "designed to raise the educational achievement level of the poorest of the poor," who are primarily concentrated in inner cities, and expanded it into a general education program covering 80 percent of the nation's school districts.

A similar expansion took place in the Model Cities program. As envisioned by President Johnson in a 1966 address to Congress, the program was to funnel billions in demonstration grants to the nation's ten most severely distressed cities, thereby testing whether comprehensive aid could alleviate urban poverty. By the time the program became law, however, 150 cities were eligible for assistance. With so many localities in line, funds had to be parcelled out in extremely small amounts. The inevitable result was that the program had little impact anywhere. To Stockman, boondoggles like these were yet more evidence that the vast increase in social-welfare spending that took place over the 1960s and 1970s "had created in its wake a political maintenance system based in no small part on the co-optation and incorporation of Congress itself."

The distributive tendency that Stockman identified has continued to shape congressional policymaking. Indeed, Melissa P. Collie of the University of Texas, in her 1988 survey of the political science literature on pork, concludes that there is a consensus among scholars that serving narrow interests at the general public's expense is what Congress does "most if not best." According to Congressional Quarterly, the fiscal 1992 appropriations bill included millions of dollars for federal building projects requested by individual legislators. Among the winners was House Majority Leader Richard Gephardt (D-MO), who pushed through a request for a $30 million federal building and courthouse in St. Louis.

The wrong culprit

But if the quest for local benefits leaves an unmistakable imprint on fiscal politics, the argument that pork barrel spending has been the engine behind the growth of federal outlays in recent years is simply wrong. In cataloguing the various types of taxpayer-funded pork, Stockman included billions of dollars spent on social-insurance entitlement programs such as Social Security and Medicare. While there can be no doubt that these programs
benefit organized groups whose members include many well-off citizens not in dire need of government assistance (that, after all, is why they are so popular), they certainly are not pork barrel programs in the classic sense.

While traditional pork barrel programs provide benefits to specific geographic constituencies as the (apparent) result of the actions of individual legislators, entitlement programs confer benefits on every eligible person as a matter of legal right. Thus, as Mayhew writes, "congressmen get no credit" for the mere handing out of checks. Were individual congressmen truly attempting simply to maximize their chances of receiving electoral credit it would be hard to devise a less effective way of spending taxpayer money.

Yet it is precisely these entitlement programs, which give congressmen negligible opportunities for credit-claiming, that are primarily responsible for the tremendous growth in federal spending. Entitlement payments and other mandatory outlays climbed from 5.8 percent of gross domestic product (GDP) in 1962 to 11.0 percent in 1980, and to 11.3 percent in 1991. About half of all federal spending now goes towards mandatory programs.

By contrast, expenditures for domestic discretionary programs declined from a high of 4.9 percent of GDP in 1980 to 3.5 percent of GDP in 1991. In other words, while all programs grew when New Deal and Great Society liberalism dominated Washington, when the nation turned to fiscal conservatism in the 1980s it was domestic discretionary spending, not entitlements, that got squeezed.

What is most remarkable about this pattern is that some of the biggest discretionary cutbacks occurred in programs with the largest concentration of geographic benefits:

*Water and Power Projects*. When measured in constant 1987 dollars, direct federal spending for the construction and rehabilitation of water and power projects fell from $5.8 billion in 1980 to $4.3 billion in 1991, a decline of 26 percent. During this same period, overall federal spending rose by 35 percent in real terms.

*Construction Grants*. When measured in constant 1987 dollars, expenditures for grants to state and local governments for the construction of buildings and other facilities declined
from $27.6 billion in 1980 to $23.8 billion in 1991, a decline of 14 percent. Several large grant programs were dismantled altogether.

*Other Intergovernmental Grants.* When measured in constant 1987 dollars, expenditures for the wide variety of non-construction grants-in-aid other than those for formula-driven payments to individuals fell from $53.7 billion in 1980 to $30.1 billion in 1991, a decline of 44 percent.

These trends are hard to square with the claims of those who insist that legislators are focusing most of their energies on pork barrel activities. In fact, according to R. Douglas Arnold, a Princeton University political scientist and one of the first researchers to investigate the matter empirically, if anything the impact of pork on federal spending “seems to be diminishing.”

Other budget experts agree. “The role of pork in the budget has declined,” said John L. Palmer, senior fellow at the Urban Institute, in a widely noted 1988 *Washington Post* article. “It just isn’t a significant budget item—if it ever was.” While the drop in pork barrel spending has not been precisely quantified, Charles Schultze, former chairman of the Council of Economic Advisers, in 1988 estimated the amount of pork in the budget at “no more than $10 billion.” This works out to less than 1 percent of federal outlays that year and about 6.3 percent of domestic discretionary spending.

What caused the pork barrel to shrink? While numerous factors played a contributing role—including changes in the law requiring localities benefiting from water projects to shoulder a significant share of the cost—by far the most important was the pressure Congress felt from Ronald Reagan to reduce domestic spending. Legislators are rarely happy to limit their ability to feed at the political trough, of course. But as Arnold points out in *The Logic of Congressional Action*, the only alternative was to cut middle-class entitlements like Social Security—something Congress was not yet prepared to do. Writes Arnold, “In times of fiscal austerity, when legislators must cut something, it is less risky to reduce future opportunities for credit claiming than it is to be associated with terminating constituents’ regular supply [of benefits].”
Controlling entitlements

The fact that entitlements involve a regular supply of benefits explains why controlling these programs is essential to reducing the deficit. Imagine there are just two government programs, both funded at $5 billion a year. One is a classic pork program—it funds the construction of public works in individual districts. The other is an entitlement—it provides a monthly check to disabled federal workers. Each year the amount of the check is adjusted for inflation. Assume as well that legislators do not care about what is "good" public policy; they are interested only in their reelection. If voters are constantly asking—"What have you done for me lately?"—what must legislators do to increase their chances of remaining in office?

In the case of the public works program, each year's spending will lead to the construction of new buildings, highways, and so forth, and the legislator will get credit for each new project that is built in his district. If the $5 billion finances one hundred projects this year, it creates one hundred credit-claiming opportunities. Next year's $5 billion appropriation leads to one hundred more opportunities for receiving electoral credit. Pork, then, results in a continual stream of credit-claiming opportunities without a need to raise the level of spending. In tough economic times, legislators can simply cut back the number or size of projects funded. Since curtailing programs that provide one-time construction grants imposes costs primarily on future beneficiaries, the risk of electoral retribution is likely to be small. In terms of long-term fiscal restraint, pork is thus a highly controllable source of spending.

In the case of the entitlement program, however, recipients are guaranteed a regular flow of benefits. As a result, the only way for legislators to gain additional credit is to increase the eligible population or the benefit level of the program. Unlike funding a new building, however, increasing the size of an entitlement check creates a new threshold of beneficiary expectations. Moreover, since program beneficiaries typically assume that the current amount of their checks—including any cost-of-living adjustment (COLA)—is theirs as a matter of right, legislators know they will be blamed for any reduction in benefit levels. While congressmen may get no credit for the simple handing out of checks, theirs will be the hand that gets slapped if voters
find that their benefits have been slashed. In a period of fiscal austerity, members of Congress thus face doubly strong incentives to look elsewhere for savings.

The major reason entitlements are so dangerous to the nation’s long-term fiscal health, then, is that they are a politically addictive form of public spending. Just as smoking one cigarette can lead to smoking a second and then to a three-pack-a-day habit, paying out entitlement benefits today makes it hard for legislators to resist the impulse to pay out benefits tomorrow.

Another reason entitlement spending is so tough for Congress to control is that it is driven by formulas written into multi-year or permanent authorizations. As a result, members seeking to reduce spending for a given entitlement program have to bring about a change in the law, while those seeking to maintain current funding levels need only stall. In contrast, the burden of action for pork programs, which are funded primarily through annual appropriations, rests with spending proponents.

Real reform

What can be done to put the brake on entitlement spending while maintaining credit-claiming opportunities for congressmen? Two useful reforms have been suggested by Berkeley political scientist Aaron Wildavsky, author of the classic study of federal budgeting. In testimony before Congress on the potential impact of amending the Constitution to require a balanced budget, Wildavsky emphasized that simply mandating fiscal balance is unlikely to succeed. A more effective approach, Wildavsky stated, would be to eliminate all cost-of-living allowances for entitlements, and to change entitlement program status so that no more than 95 percent of any given entitlement’s current funding would be guaranteed for the following year. While Wildavsky emphasized the immediate effect these reforms would have on limiting government expenditures, we would stress their potential to change the incentives lawmakers face. Were these changes adopted, members of Congress would be able to vote and receive credit for periodic entitlement increases and tax cuts without increasing the overall level of spending or the deficit.

This in fact was the system that governed Social Security prior to 1972 and periodic tax reductions prior to 1981. When COLAs were introduced for Social Security in 1972 and income-
tax indexing was enacted in 1981, many budget experts argued that these changes over time would lead to smaller increases in social-insurance spending and would hold the line on tax burdens. A comparison of both Social Security expenditures and income-tax revenues before and after these changes, however, provides no evidence that the desired effects were achieved.

What has been lost by putting these parts of the budget on "automatic pilot" is the opportunity for congressmen to claim credit for any portion of their constituents' regular supply of benefits—along with the chance for elected officials to do good by doing well. If reducing the federal deficit is a major policy task for the next decade, think how much better it would be if congressmen could take credit for restoring even a portion of the 5 percent of an entitlement's annual funding that would no longer be guaranteed, or for adjusting benefit levels partially for inflation. Not only would congressmen be better situated to entertain serious deficit-reduction proposals, but much of the pressure members face to constantly increase government spending in order to satisfy the electoral imperative would be eased.

The golden-parachute model

Significant reductions in the federal deficit have not occurred over the past decade largely because the actions necessary to achieve these reductions have no electoral payoff for legislators. Few, if any, representatives or senators have been defeated because of the deficit. By contrast, numerous incumbents have lost their seats because of support for tax increases or spending cuts.

But if legislators care intensely about re-election, the appropriate deficit-reduction strategy is neither to scold congressmen for their moral depravity nor to set budgetary traps like Gramm-Rudman, from which creative legislative minds will quickly learn how to escape. A more productive approach would be to accept the basic self-interestedness of politicians as a given, and find ways of exploiting it for the collective good. A useful private-sector model here is the creation of "golden parachute" provisions for executives whose firms are the targets of corporate takeovers. While takeovers clearly benefit the shareholders of targeted companies, managers of such companies have a record of opposing takeover attempts, since their own jobs are often at stake. Generous severance payments give executives the security
they need to do right by their firm’s shareholders when negotiating with a corporate raider. Similarly, congressmen who support deficit-reduction measures can be protected from electoral risks if given additional opportunities to claim credit for the delivery of pork.

One major advantage of this approach (as opposed to procedural tinkering and moral exhortation) is that it has actually worked. A recent example was the inclusion of so-called “transition rules” in the landmark 1986 tax-reform legislation, which lowered the top marginal tax rate for individuals from 50 to 33 percent. To make up the resulting loss of revenue, the measure eliminated exemptions, deductions, and numerous other special tax preferences—a tradeoff that greatly increased the efficiency and equity of the tax code.

Many of these tax preferences, however, were strongly supported by powerful economic interests, making their termination a politically difficult task. In order to hold the reform coalition together, nearly 700 temporary transition rules were added to exempt particular firms or groups of taxpayers located in the home states of key legislators. For example, Senator Robert Dole of Kansas, then the Republican majority leader, was rewarded for his support of reform with a tax preference for the redevelopment of Manhattan, Kansas.

The inclusion of new tax breaks in a sweeping tax-reform bill was widely criticized in the press as the most hypocritical kind of pork barrel ing. An objective assessment of these transition rules, however, requires answers to the same basic questions that economists pose when evaluating the utility of a golden parachute. Was the long-term benefit of a broadening of the tax base and a reduction in marginal rates greater than the temporary cost of the special provisions? Were more generous transition rules granted than were required? In their fascinating diary of the tax-reform bill’s unlikely triumph, Showdown at Gucci Gulch, Wall Street Journal reporters Jeffrey H. Birnbaum and Alan S. Murray concluded that the transition rules of the 1986 act, which were estimated to cost the Treasury $11 billion over five years, were indeed essential in helping Congress find the political courage to close hundreds of billions of dollars’ worth of permanent tax loopholes. “Even the most committed congres-
sional reformers realized that these relatively small provisions were a necessary price to pay,” they wrote.

The strategic use of pork was mastered by Wilbur Mills, the legendary former chairman of the House Ways and Means Committee. During most of Mills’ tenure as chairman, Ways and Means had jurisdiction not only over tax legislation but also over the assignment of Democratic members to the other standing committees of the House. In light of the Ways and Means Committee’s extraordinary power, the main criterion for determining which Democrats would be placed on the committee was loyalty to the party leadership. Expertise in tax matters, by contrast, counted for very little. This, however, created a problem for the institutional maintenance of the House: Could Mills prevent members of Ways and Means who knew nothing and cared less about “good” tax policy from using their positions on the committee as a platform for the processing of special tax measures favored by their constituents and colleagues?

One strategy Mills used to keep committee members in line was the annual tax-expenditure bill. Each year Ways and Means would report out a bill containing one—and only one—special tax provision for each member of the committee, subject to a dollar limit on the total amount. The beauty of the bill was that in return for a yearly credit-claiming opportunity of limited fiscal scope, Mills was able to discipline the membership of the most powerful revenue committee in the Congress. Moreover, the annual tax-expenditure bill satisfied the standards of a “good” golden parachute—it provided pork only to key players and its revenue loss was controlled.

**A spoonful of pork makes the deficit go down**

“It’s outrageous that you’ve got to have such political payoffs to get Congress to do the nation’s business,” says James Miller, OMB director under Ronald Reagan. Miller’s outrage is understandable but ultimately unproductive. Human nature and the electoral imperative being what they are, the pork barrel is here to stay.

But if pork is a permanent part of the political landscape, it is incumbent upon leaders to ensure that taxpayers get something for their money. Our most effective presidents have been those who have linked the distribution of pork to the achieve-
ment of critical national objectives. When Franklin Roosevelt discovered he could not develop an atomic bomb without the support of Tennessee Senator Kenneth McKellar, chairman of the Appropriations Committee, he readily agreed to locate the bomb facility in Oak Ridge. By contrast, our least effective presidents—Jimmy Carter comes to mind—have either given away plum projects for nothing or waged hopeless battles against pork, squandering scarce political capital and weakening their ability to govern in the process.

The real value of pork projects ultimately lies in their ability to induce rational legislators into taking electorally risky actions for the sake of the public good. Over the last ten years, as the discretionary part of the budget has shrunk, congressmen have had fewer and fewer opportunities to claim credit for directly aiding their constituents. As Brookings scholar R. Kent Weaver has argued, in an era of scarcity and difficult political choices, many legislators gave up on trying to accomplish anything positive, focusing their energies instead on blame avoidance. The result has been the creation of a political climate in which elected officials now believe the only way they can bring the nation back to fiscal health is to injure their own electoral chances. This cannot be good for the future of the republic.

Politics got us into the deficit mess, however, and only politics can get us out. According to both government and private estimates, annual deficits will soar after the mid-1990s, and could exceed $600 billion in 2002 if the economy performs poorly. Virtually every prominent mainstream economist agrees that reducing the deficit significantly will require Congress to do what it has been strenuously trying to avoid for more than a decade—rein in spending for Social Security, Medicare, and other popular, middle-class entitlement programs. Tax increases may also be necessary. From the vantage point of the average legislator, the risk of electoral retribution seems enormous.

If reductions in popular programs and increases in taxes are required to put our national economic house back in order, the

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2This is not to say that pork is inherently wasteful. Indeed, a recent study of water-construction projects at the Army Corps of Engineers by John A. Hird of the University of Massachusetts found that concern for economic efficiency plays a prominent role in the project-selection process, due in large measure to the Corps' use of cost-benefit analysis.
strategic use of pork to obtain the support of key legislators for these measures will be crucial. The 1990 budget pact took a few steps in this direction, but it did not go far enough. According to the *National Journal*, the outlines of a deal in which increases in discretionary spending would be traded for entitlement cuts were sketched out by Bush administration officials last year, but it will be up to the Clinton administration to fill in the details. Of course, while President Bush sometimes wasted his energies on unproductive battles against congressional pork, President Clinton may face the opposite temptation. Giving in too often to the many claimants for federal largess would defeat our plan’s central theme—the strategic use of pork.

Still, the president should ignore the advice of fiscal puritans who would completely exorcise pork from the body politic. Favoring legislators with small gifts for their districts in order to achieve great things for the nation is an act not of sin but of statesmanship. To be sure, determining how much pork is needed and to which members it should be distributed is difficult. Rather than asking elected officials to become selfless angels, however, we would ask of them only that they be smart politicians. We suspect Madison would agree that the latter request has a far better chance of being favorably received.