

Deadlock and Partisan Bitterness

Why does American politics seem so deadlocked? The media mostly focuses on issues where Democrats and Republicans refuse to compromise because they strongly disagree: immigration, guns, health care. But American politics often seems deadlocked even when both parties *agree*. For example, supermajorities of both parties want to protect DREAMers, but they've never reached an agreement to do so. How is this possible?

1. *Transactions costs*. Hammering out a deal is hard work, so many mutually beneficial deals don't happen.

Critique: Economists routinely appeal to these alleged costs, but how high can they possibly be? Seriously, why should it take more than a single day for the DREAM Act to become a law? Vote, vote, sign, done.

2. *The hold-out problem*. Suppose we agree that X is good, but you want X a lot more than I do. In this situation, it makes sense for me to demand some "compensation" from you even though we basically agree.

Critique: This might make sense for a year or two. But if we've failed to reach an agreement after many years of negotiation, you'd expect *both* sides to moderate their demands to cut their losses. Yes, they could conceivably be investing in their reputations for intransigence to secure favorable terms in the future, but does anyone seriously expect to see the day when one party finally submits to the other?

3. *Insincerity*. For example, perhaps Republicans only *claim* to want to protect DREAMers in order to seem nice and reasonable. In fact, however, they never genuinely favored the DREAM Act in the first place.

Critique: This is often plausible, but it's hard to see it as a general explanation. Politicians have clear incentive to lie about their goals, but why would average citizens bother to lie in anonymous polls?

4. *Partisan bitterness*. The two main parties intensely dislike each other. Like a quarrelsome couple, they could find something to fight about at a fancy restaurant on Valentine's Day. As a result, the two parties have trouble cooperating procedurally even when they agree substantively.

Critique: This is my preferred story. What I wrote about divorce a decade ago cleanly explains political deadlock as well:

Unfortunately, the Coasean argument overlooks a pretty obvious fact:

Couples contemplating a divorce often hate, loathe, and despise each other. We've all heard of stories of divorcing couples deliberately destroying objects of sentimental value to each other. Indeed, many couples in this situation wallow in petty spite; they can't stop bad-mouthing each other to anyone who will listen.

With these facts firmly in mind, how confident are you that Coase's zero transactions costs assumption is remotely true? At risk of sounding Austrian, transactions costs are subjective: Bargaining with your mortal enemy hurts.

If this story seems grim, I should add that bitter politics has one major advantage over bitter divorce. Namely: Partisan bitterness throws much-needed sand into the gears of the state. Given public opinion, amicable government is likely to be big government. As long as political antipathy is too shallow to cause civil war, both libertarians and pragmatists should welcome it. Will Rogers once mused, "Be thankful we're not getting all the government we're paying for." I'd add, "Be thankful we're not even getting all the government *both* parties support."

P.S. I'm well-aware that deadlock locks existing bad policies in place, too. But I see little political support for repealing such policies, and broad political support for adding new bad policies. Tragic, but that's the world we live in.