During the fall of 2011, the issue of Social Security reform received a great deal more attention than expected in debates among the Republican presidential primary contenders. One candidate, Governor Rick Perry, used incendiary language describing Social Security as a “Ponzi scheme” and a “monstrous lie.” Former Governor Mitt Romney was relentless in his attack on Perry for this rhetoric and his lack of support for Social Security. This dustup raises the question, will the reforms needed to deal with the projected long-term deficit in Social Security funding be enacted any time soon? Could it be 2013? Would this be a good year from the perspective of Democrats? How about Republicans?

From the perspective of Democrats, 2013 would be a good year to make the needed changes if the 2012 election leaves them with the presidency, solid control of the House, and at least a sixty-vote majority in the Senate. A parallel argument can be made were the Republicans to end up with similar control. However, far more likely is an outcome in which, like today, both the Democrats and the Republicans must contend with policy making in a power sharing environment.

If power sharing continues and Obama is reelected, 2013 might be a good year for Republicans to make a deal with Democrats on Social Security reform for a number of reasons including: (1) Based on their past experience negotiating with Obama, he seems quite willing to make a deal in which Republicans get a very favorable ratio of Republican concessions to Democratic concessions. (2) Obama is a moderate Democrat willing to support at least some of the ideas dear to Republicans even before the negotiations get to the politically hard compromises needed to close the deal. (3) If you are a Republican it might be easier to deal with a Democratic administration led by Obama than a potentially much more progressive Democratic administration a few years from now.

If Obama wins in 2012, even if with diminished power both the House and Senate, 2013 might be the year for Democrats to make a deal on Social Security reform with the Republicans. Among the reasons: (1) Obama will not have to factor in the consequences of the hard compromises for his own reelection prospects. (2) The sooner major reforms are made the less draconian they will need to be. (3) Republicans may be more willing, with Obama (the moderate Democratic compromiser) in office, to support the formation of a high profile truly bi-partisan commission along the lines of the 1983 Greenspan Commission. Such a commission may be essential to provide the necessary cover that many members of Congress will need if they are to vote in support of a reform package that may be more progressive than the alternative that may be on the table during a future Republican administration in power when the time is reached that Congress must act.

Alternatively, what if the Republicans win the Presidency in 2012, but without a solid majority in the House and Senate? Would 2013 still be a good year for a grand bargain on Social Security reform from the perspective of Republicans? In such a situation the leadership of the Democratic Party might shift to the left making it more
difficult for Republicans to get the support they would need in the Senate to enact the Social Security reforms that conservatives favor.

Finally, would it make sense for Democrats to become part of an effort to make major changes in Social Security in 2013 in the event that a Republican is elected president without firm control of the House and Senate? If that president were strongly identified with the Tea Party wing of the Republican Party, it would probably be a good year for Democrats to repeat the Republican mantra and “just say no.” But what if Mitt Romney were elected? Would 2013 potentially be a good year to make the needed changes in Social Security? It might not be out of the question. Based on his record as governor of Massachusetts, his response to Rick Perry on the issue of Social Security reform, and his record as flip flopper, 2013 might be the year. This is particularly so if he proves willing to go along with a set of changes that are no more draconian than those associated with the Greenspan Commission of 1983. This could be his legacy. Democrats, however, may want to keep in mind that in his 2010 book Romney states his support individual accounts as part of Social Security reform. Support for individual accounts is found on the campaign websites of most current Republican presidential candidates, but it is of note that currently it not mentioned on Romney’s.