



The Daily Dish

The Toll of Executive Overaction

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Eakinomics: The Toll of Executive Overaction

The costs of the regulatory state are a common topic of Eakinomics. Those discussions typically focus on the burden regulations impose on the private sector and the concomitant distortion of economic activity.

As AAF's Daniel Bosch points out in his latest [research](#), there is another dimension to the problem: "The reliance on executive action creates uncertainty in the economy as well as attempted policy solutions that are both costly and inadequate to address major problems."

I think there is a lot to be said for this insight. One of the surprising nuggets in Bosch's piece, however, is how it ended up this way. A big part of the explanation is sheer capacity to undertake policymaking. Per Bosch: "From the late 1940s, legislative branch expenditures steadily rose for the next 50 years, with the majority of spending on increased staffing." Yet "in the mid-1990s, congressional staffing levels began to decline. According to [data](#) from the Brookings Institution, House of Representatives committee staff from 1979-2015 levels reached a high of 2,321 in 1991, and a low of 1,014 in 2007. Similarly, Senate committee staff levels over the same period declined from 1,410 in 1979 to 951 in 2015. Staffing in personal offices and support agencies such as the Congressional Research Service also fell. According to a [2016 estimate](#), the legislative branch consisted of about 30,000 employees on a budget of \$4.5 billion per year, while the executive branch had grown to 4.1 million employees and budget of \$3.9 trillion."

Money and bodies are concentrated in the executive branch, and the policymaking lead has moved with them. But, as noted above, the nature of the policymaking is less than desirable. By definition, executive action is not permanent, and the partisan divides of this moment guarantee sharp swings in policy incentives. On top of this instability, as Congress fails to enact new legislation to address current policy issues, any regulations have to be wedged into existing authority based on old laws. The poster child for this is using the Clean Air Act to address emissions of greenhouse gases. The twin sister is network neutrality regulations. The upshot is bad regulation (often thrown out by the courts) and high uncertainty.

What can be done? Bosch recommends: "In order to correct the executive/legislative imbalance, Congress must invest more in its own capacity and overcome the partisanship that prevents more efficient solutions on major issues than is available through regulations based on existing authorities."