
Statement from Robert Greenstein, President, On the Agreement to Reopen the Government and Avert Default

The budget agreement that Senate leaders announced today marks an important victory for the principle that shutting down the government and threatening national default aren't acceptable ways for either party to pursue policy concessions and should always be rejected. Congress should approve the agreement without delay, and President Obama should sign it.

Fortunately, those who helped engineer the shutdown and threatened a default failed to achieve their policy goals, and their approach met strong public disapproval. Had they won concessions, the tactics of shutting down the government and threatening default could have become standard features of the budget process, weakening our political system and creating damaging and unnecessary uncertainty for the economy.

In the budget negotiations that the President and Congress have agreed to begin, they should pursue measures that promote a stronger economic recovery, improve the nation's fiscal situation over the medium and long term, and do not increase poverty or inequality.

Those negotiations hold both promise and risk. The ill-timed sequestration cuts are slowing economic growth, worsening unemployment, and harming broadly supported public services. That argues for replacing sequestration with a more balanced deficit-reduction package. Some policymakers, however, may seek to replace sequestration with even more harmful cuts, including ones targeted on vulnerable Americans, or push for revenue-neutral tax reform, which would ignore the need for additional revenue to do its part in helping to address long-term deficits.

A sound package that puts us on a more sustainable fiscal path, bolsters the economic recovery, and protects vulnerable Americans is possible. Policymakers should strive for it. At the same time, with near-term deficits on a downward trajectory, they should turn aside deals that do not meet these basic tests. We hope that policymakers can bring some of the statesmanship that ultimately helped produce today's deal to the coming negotiations and produce a broader agreement that's sound in terms of both its immediate effects and its longer-term impacts.

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