

Earmarks in the u.s. budget

[Economics](#), [Budget](#)



In the past years, ethical issues involving public officials and funding have emerged thereby directing the spotlight not only at the officials connected but also the means in which the channel of funding is suddenly considered as an enabler of corruption. In the past years, especially during the recent elections, the term " earmarks" have been thrown around by candidates. Although earmarks are legislated through the Appropriations Bill, and that the Constitution has provisions for public funding channels and its utilization, it was inevitable throughout the years that earmarks, at some point, had reached a bad reputation.

Among the public officials connected with earmarks controversy is Sen. Ted Stevens (R-Alaska) whose recent conviction would expose the notorious " bridge to nowhere" that was also associated with Republican Vice-President candidate Sarah Palin, in addition to the senator's utilization of earmarks by providing favors to his son (Source Watch, 2009a). Current Speaker Nancy Pelosi had been also involved with earmarks controversy in which she gave a grant worth to a think tank run by her campaign officers (Source Watch, 2009b).

The controversy behind earmarks is that congressional spending would become a venue for possible corrupt acts; in a sense, the possibility of having specific funding redirected to the wrong hands is that the congressmen or senators themselves may give the grant to projects that are not " meritorious". For instance, one of the earmark cases involving Sen. Stevens was his earmarked funding provided to a marine center in Alaska that would purchase property from his son's business partner (Kane & Eggen, 2007).

Hence, what happens is that should senators and congressmen request for earmarks, there is the possibility that the requested funding would eventually lead to the personal benefit of the public official who requested for it. Such personal benefits would include personal favors and partnerships with entities of private interests. As a result, earmarks are criticized as a means for these public officials to come up with means to have an eventual substantial portion that resulted from their political influences.

Although government spending is legislated and protected, the various degrees and purposes of spending have been put at several controversial cases. As it is only natural that the government spends money for the public's benefit such as infrastructure and services, in actuality, government spending in some cases would tread the unethical waters. Earmarks, sometimes also referred to as "pork", are enabled through the funding allocations for projects of the members of the Senate and Congress; hence, albeit the controversy, earmarks are meant to provide support in some form at a local level.

For example, there are earmarks allocated for funding new equipment in hospitals and for the projects and programs of certain institutions like school. From this, earmarks can be well-intended as it serves as a funding model that helps local projects which may need to have indirect support from the federal government. On one hand, it has been inevitable that earmarks have been also become a tool for corruption. In the past years, earmarks reforms have been initiated in order to ensure that these allocations serve the better benefit of the public.

However, along with the reforms, many controversies have emerged involving public officials including both senators and congressmen. B. Key Actors and Their Roles Earmarks are mobilized through the Appropriations Committee; the Appropriations Committee is legislatively supported by clause seven of Article I, Section 7 of the Constitution; its function thereby defined by this statement, " No money shall be drawn from the treasury, but in consequence of appropriations made by law; and a regular statement and account of receipts and expenditures of all public money shall be published from time to time.

" The role of the Appropriation Committee in the context of earmarks is that it examines the earmark requests and provides the funding; as a committee both found in Congress and in the Senate, the budget allocations for earmarked funding are then assessed and determine whether the requested funding would be granted or not. Because of the power held by this committee and its members, it is inevitable that there are a lot of politics that take place in this venue.

From the Appropriations Committee, another key actors in earmarks are the congressmen and the senators; these are the figures who are typically put in hot water because they are the ones who request for the earmarks. They also determine which project to provide earmarked funding for, in addition to also identify which projects they want to support. It should be noted that the Appropriations Committee also have congressmen and senators as members. The Lobbyists also play an integral role in the earmarks case; they are the ones who present both public and private interests.

For instance, these lobbyists may go to Washington on behalf of the interest of an oil company; these lobbyists may find congressmen or senators who may be interested in their initiative, and from there, should they get the word of a public official, they can get access to earmarked funding which would be directed to public entities. C. Central Problems Earmarks are not without its critics and defenders. One of its vocal critics is Texas Rep. Jeb Hensarling who referred to earmarks as a means to give Representatives a venue for spending addiction.

On one hand, Rep. Kevin Brady mentioned that " local lawmakers have a legitimate right to steer meritorious projects to their states" (Kane ; Eggen, 2007). Generally, there are three identified problems with earmarks: ? Earmarks as a tool for corruption ? Earmarks has been operated with a lack of transparency ? The allocation of earmarks --- what qualifies as a meritorious project that deserved government funding? The last issue can be regarded as significant because earmarks do allow funding according to the discretion of the senator or congressman.

An example was Nancy Pelosi; her earmarks controversy is mostly due to her allocation of funds for a think tank who happens to be run by her campaign officials. Another example was an earmarks case involving Rep. Jim Moran (D-Va) who earmarked for " Project M", a magnetic levitation project that could help lessen the noise of submarine machinery, thereby helping Navy Seals and Marines safer; the Pentagon remarked that it didn't care for the project.

In defense, Moran mentioned that there were jobs that depended on the project despite the fact that the company that created Project M also

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contributed to Moran' s campaign (Source Watch, 2009d). Section II. Identification of Case Problems and Issues Apparently, earmarks both serve public- and self-interests; this is to say that a project may serve the interest of the public yet at the same time, it may also serve the interests of the government official who will find the earmarking process also as an opportunity for self-interest.

From this there is an evident chain of private interests such as, for instance, the corporation contracted to perform the project will also benefit because this means that the funding becomes business for them. In examination, this brings about the theories linking public interests and private interests. Friedrich (1962) cited R. A. Musgrave in the aspect of how public interests can spawn from consumer satisfaction. This therefore demonstrates that public policies aiming to serve public interests are subject to economic forces.

As Friedrich explained, this therefore makes policy making also subject to the economic system which is why there are these types of political reality because societies have become dependent on private utility. The theoretical framework of public policy being driven by self-interest was already addressed by Adam Smith in *The Wealth of Nations* where he pointed out that people function not out of benevolence but from self-love; it is inevitable, therefore, to act according to one's advantages.

Furthermore, as LeGrand (2003) mentioned Richard Titmuss as to how the public has been limited to the forces of the private market due to the degree of its influence; this is to say that in relation to Adam Smith's argument on benevolence versus self-love, and private interest and public interests, what

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dictates behavior can be seen in the impact of the private markets which have greatly influenced the society. Although earmarks make up a small amount as compared to the overall spending at both federal and local levels, the problem with this issue is that it has become a vehicle for unethical practices.

As can be seen in the earmarking practices of some senators and congressment, it can be gathered that by function, these officials are able to be influenced by many forces --- lobbyists, corporations --- that will affect their stance in the Senate and the House, and at the same time, use this as a source of abuse of their power. As previously mentioned, earmarks can be also well-intended; this provides officials a means to expand their outreach to their local communities and state which they would find necessary and contributory to the interests of the people.

As Bizzell (2004) mentioned, without these earmarks " pet projects" that may have an important impact would not take off and actualize without these sources of funding. In a sense, earmarks have become an easier means for these officials to gain access to a substantial amount of money because these are just inserted in committee reports; this is to say that it does not get as detailed, and the reports can just label these projects as what seems to be a regular project such as " Defense" or " Health".

Therefore, the major problem with earmarks is that the government gets to spend tax payers' money on matters that may not even interest or benefit the tax payers. The problem with earmarks is that although they are supposed to serve the interest of the public, these interests are actually limited. First, this can be examined by the most widely-used definition of <https://assignbuster.com/earmarks-in-the-us-budget/>

earmarks as provided by the Congressional Research Service (Streeter, 2006):

" Provisions associated with legislation (appropriations or general legislation) that specify certain congressional spending priorities or in revenue bills that apply to a very limited number of individuals or entities. Earmarks may appear in either the legislative text or report language (committee reports accompanying reported bills and joint explanatory statement accompanying a conference report). " In close inspection, earmarks are directed at specific projects that may or may not benefit the public both at national and local levels. For instance, one of the controversial earmarks connected to Sen.

Ted Stevens was a project intended for an " expeditionary craft" that would be used by the Navy although the Navy did not make any request for the ferry; President Bush signed the request. This experimental craft which was manufactured by Lockheed Martin, was rejected by the Navy in 2002; despite the Navy' standing against the ferry, Stevens continued to insert \$50 million earmarked funding for the appropriations bill. Eventually, the water transportation would be used as a commercial ferry connecting Anchorage with the port of Knik Arm where the traffic flow between the two ports is not as substantial.

Apparently, the interest to connect Anchorage with Knik Arm was to increase the property value in Knik Arm; it would turn out that Stevens had staff members who owned undeveloped land in Knik Arm, and with the presence of a ferry that would cut the land travel from two hours to fifteen minutes via ferry, Knik Arm would become a potential venue for development. Although public spending at local level is indeed necessary, earmarks usually turn out

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as " pet projects" of these senators and congressmen (Rauch, 2009). Another problem with earmarks are that they are not reviewed by the public.

As a result, these officials have a free hand of what to do with the earmarks they would pass. Depending on their connections and influence to the Appropriations Committee, their spending can then be passed as a bill. Another problem is that controversies with earmarks would expose the detected disproportionate allocations to the members of the Appropriations Committee. A distinctive case is Rep. Jerry Lewis (R-Ca) earmarks controversy which involved the lobbying firm Copeland Lowery Jacquez Denton ; White; Sen.

Lewis' friend, U. S. Congressman Bill Lowery, served as a partner in the firm from 1993 to 2006. As chairman of the Appropriations Committee, it was noted that Lewis managed to direct hundreds of millions of dollars worth of funding to the clients of Lowery's firm, which, in turn, also earned millions of dollars from the fees in these initiatives. Lewis was found to have also benefited in this relationship as Lowery provided substantial amounts for Lewis' campaign fund (Source Watch, 2009c).

In the case of budgeting, the allocation or the allowance of earmarks therefore makes these projects go through the approval process without the hassles; because of the anonymity, senators and congressmen are able to pass on projects and request funding according to their own discretion. In a sense, this show that not all earmarked projects are driven by unethical motivations; some can actually benefit some agencies that will also provide convenience and benefit to the people. In some cases some projects may provide jobs to some people.

On one hand, the controversy arises when it is used wrongly, which is why earmarks are typically described as corrupt and wasteful. In order to understand the public policy roots of earmarks, it is important to have a view on its history. Although there is no definitive history of earmarks other than the emergence of earmarking practices in the 1970s involving the request for funding for specific projects that sprung out of government projects, its constitutional claim was actually challenged by President James Madison who contested Rep.

J. Calhoun's (D-S. C.) proposal to use the bonus from the Second Bank of the United States to construct highways; Pres. Madison stated that it " would have the effect of giving to Congress a general power of legislation" (Source Watch, 2009e). However, this would be pushed through the Appropriations Bill that would enable the increasing number of earmarks that are specific for a division (i. e. Defense) to earmarks reaching thousands that included proposals to battle brown tree snakes in Guam (Source Watch, 2009e).

Means to respond to problems with regards to earmarks have been recently initiated as can be seen in the reforms. One of these important moves is by means of ensuring transparency. The Senate legislation reforming earmarking practices can be seen in the Legislative Transparency and Accountability Act of 2006 and Federal Funding Accountability and Transparency Act. In addition to transparency and accountability, these policies aim to establish a systematic documentation of the records related to earmarks and funding.

The House of Representatives also passed the Lobbying Accountability and Transparency Act of 2006 and an amendment to the Federal Financial
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Assistance Management Improvement Act of 1999; the former also complemented earmark reform by lobbying reform (Source Watch, 2009e). Generally, despite the fact that legislation have been formulated to address the problems on earmarks, they remain to be criticized as " weak".

In summary, the weakness is found in the potential problems in the disclosure of the contracts and the grants that would be funded by the earmarks. In addition, it can be observed that these earmarks do not address the third problem: how to identify what constitutes as a meritorious project which in the end will definitely serve the interests of the public. Section III: Alternatives for Action A. First Alternative The first proposed alternative is to create a set of standards as to what can qualify for earmarks.

Although senators and congressmen do have a system in assessing which projects would be qualified, there should be a general consensus as to the qualifications that senators and the congressmen should consult. These standards therefore serve as an effective means to identify what makes a project meritorious which is why when private projects or government officials propose for earmarked projects, there should be a means to determine which ones should be chosen. The standards also include ethical checklists, documentation, and information dissemination of the earmarks such as announcements.

An alternative, in supplement to the standards, is by means of creating an independent committee that can serve as a checker for the proposed earmarked projects; this committee should be separate from the Appropriations Committee as apparently, the problem has been also due to the substantial amount of earmarks going to the members of the committee.

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The effectiveness of the presence of such independent group thereby creates a sense of pressure that can influence the policy process (Smith, 1993). B. Second Alternative Re-examine the role of the Appropriations Committee, and impose restrictions and qualifications for membership.

According to Kirst (1969), the Appropriations Committee is that given the function of the committee, the tendency is that they seem to have more control than the legislative committee. Another approach is to impose greater statutory restrictions, and a random checking of the actions and the activities of the committee can be checked by a federal representative. C. Third Alternative Eliminate earmarking. Not only has earmarks fostered corrupt acts and public criticism, there is a lot of politics involved such as the formation of coalitions for and against earmarks (Schick, 1995).

Although earmarks do not constitute a huge amount in the overall budget, they still take away money from the deserving projects that the government should address. This is particularly critical especially with the state of the US' economy; by eliminating earmarks, there is greater sense of efficiency and practicality as to how the government allocates the money, in addition to minimizing the venues of corrupt acts. Section III: Recommended Alternative A. Method In choosing the recommended alternative for the issue, it is important to go back to the main problems of earmarks:

Earmarks as a tool for corruption ? Earmarks has been operated with a lack of transparency ? The allocation of earmarks --- what qualifies as a meritorious project that deserved government funding? After assessing these problems, and going back to the selected controversies in the previous sections, it is important to identify how these problems are going to be

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solved and whether any of the chosen alternatives will be able to address the issues. Another important basis of the selection of the recommendation is its feasibility, and the degree of opposition it might face in the long run.

In addition, the recommendation should be also able to address all the issues it may face. These are just among the criteria that needs to be considered in the selection of the recommendation. B. Criteria The criteria for the selection of alternative are as follows: ? Feasibility of the recommendation. The feasibility is determined by the capacity to implement the recommendation. It also addresses the potential opposition and how the recommendation has enough strengths to address the opposition and the enumerated problems related to earmarks. ? The recommended alternative should also respond and solve all three identified problems.

Hence, this shows that the criteria greatly considers the alternative in terms of its strength and not just its ability to solve certain earmark problems. ? Sustainability and flexibility. This third criteria is important in conjunction to feasibility. The chosen alternative should be sustained by all means, yet at the same time it is flexible enough to make room for more solutions and not problems. C. Recommendation The chosen alternative is the creation of standards and an independent committee. This alternative thereby responds to the three problems of earmarks and at the same time, it qualifies the three previously enumerated criteria:

Earmarks as a tool for corruption - through the standards and the independent committee, corrupt acts are already hurdled through the presence of standards that would only qualify for earmarked projects; these standards not only include meritorious considerations of the project but also

the ethical aspect such as the relationship of the proposing government official to the recipient, and so on. The independent committee also acts as an ethics committee which examines whether the proposed project for earmarking have potential ethical issues. Through this recommendation, any suspicious earmarks will be subject to investigation.

Earmarks has been operated with a lack of transparency - the standards also include guidelines for documentation and the dissemination of information. Transparency should not be limited in documentation but also by means public information. An example is that in each website of senators and congressmen, earmark proposals are posted so that the public will know. There should be also a circular that the practice can access updating them about these projects; the information should then include justifications as to why it is meritorious. ? The allocation of earmarks --- what qualifies as a meritorious project that deserved government funding?

- the standards therefore enumerate what is meritorious. the criteria can be seen in the benefits of the project and how this can further modify and improve public welfare. In addition to the standards determining the allocations, the independent committee examines these projects and determine what will pass or not. Hence, the power of the senator or congressman passing the earmarked project will be further filtered by this committee which is ideally non-political or cannot be influenced by certain forces. In addition to the chosen recommendation addressing the problems, it also meets the following criteria:

Feasibility - this can be regarded as a possible problem for the recommendation, especially in terms of the formation of the independent

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committee. Although it is feasible, it is possible that there are those who will oppose the recommendation especially in terms of how it is going to be implemented. However, the recommendation remains to be feasible as the standards can be something that be discussed by those for and against earmarks, and the formation of the committee can be initiated through the agreed criteria on who should become a member.

Members should be therefore outside the Senate and the House, and can consider members of the different government agencies. ? Solving the three problems - the recommendation addresses all three enumerated problems. Sustainability and flexibility - The creation of the standards and the committee can be sustained as it becomes established as part and parcel of the entire budgetary process, especially concerning the Appropriations Committee. The flexibility is that as membership and standards can be modified depending on the changing times.

For instance, standards in the earmark allocation at this point can minimal or limited especially as the country has been experiencing dire economic problems; in this regard there are the priorities that the standard can formulate which can eventually loosen as the economy eventually recovers, and there will be more room for specific projects. References Bizzell, W. (2004). Congressional Earmarks Are More Than Just Pork. *Corrections Today*, 66, 28+. Friedrich, C. Ed. (1962). *The Public Interest*. New York: Atherton Press. Kane, P. & Eggen, D. (2007, Aug. 1). FBI Probes Stevens's Earmark.

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