

What Is Public Policy?

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GOVERNMENT IN THE UNITED STATES has grown from a small, simple “night watchman state” providing defense, police protection, tax collection, and some education into an immense network of organizations and institutions affecting the daily lives of all citizens in countless ways. The United States is not a welfare state in the sense that most European states are, but there is now an extensive array of social and health programs that serve an increasing proportion of the population. The size and complexity of modern government make it necessary to understand what public policies are, how those policies are made and changed, and how to evaluate the effectiveness and morality of policies.

Government in the United States is large. Today, its revenues account for one dollar in three of total national production. Despite the widespread political rhetoric, this money is rarely wasted; most of it returns to citizens through a variety of cash benefit programs or in the form of public services. Likewise, one working person in six is employed by government—mostly in local governments. But the range of activities of modern government in the United States is not confined to such simple measures as spending money or hiring workers. Governments also influence the economy and society through many less obvious instruments—such as regulation, insurance, and loan guarantees.

Government in the United States today is complex and is becoming more complex every day. The institutions of government are becoming more complicated and numerous. More than 90,000 separate governments now exist in the United States, many of which provide a single service and undergo little or no public oversight through elections.¹ Much public business is now conducted through public corporations and quasi-autonomous public bodies. There are also a number of increasingly complex relationships between the public and private sectors, as the private and not-for-profit sectors are becoming heavily involved in delivering public services.² The subject matter of government policy is more complex and technical than it was even a few years ago. Governments must make decisions about the risks of nuclear energy, the reliability of technologically sophisticated weapons systems, and the management of a huge and remarkably convoluted economic system. Attempting to influence socioeconomic problems—poverty, homelessness, deficiencies in education—may be even more difficult than addressing problems arising in the physical and scientific worlds, given the absence of a proven method of solving social problems.³ Even when the subject matter of policy is less complex, increasing requirements for participation and accountability make managing a public program a difficult undertaking, often more difficult than managing in the private sector.

This book is intended to help the reader understand the fundamental processes and content of public policy that underlie the size and complexity of American government. It is meant to increase knowledge about how public policies are made, what the policies of the United States are in certain areas, and what standards should be applied in evaluating those policies. I begin with a discussion of the policy process in the United States—concentrating on the federal level—and the impact of the structures and procedures of that government on the content of policies. I then discuss the means that those in government and citizens alike can use to evaluate the effects of public policies and the methods that will enable them to decide what they want and can expect to receive from government.

DEFINING PUBLIC POLICY

Samuel Johnson once commented that patriotism is the last refuge of fools and scoundrels. To some degree, public policy has become just such a refuge for some academic disciplines. As public policy studies are now popular, everything government does is labeled *policy*. I adopt a somewhat more restrictive definition of *public policy*.

Stated most simply, public policy is the sum of government activities, whether pursued directly or through agents, as those activities have an influence on the lives of citizens. Operating within that definition, we can distinguish three separate levels of policy, defined by the degree to which they make real differences in the lives of citizens. At the first level, we have policy *choices*—decisions made by politicians, civil servants, or others granted authority that are directed toward using public power to affect the lives of citizens. Congress members, presidents, governors, administrators, and pressure groups, among others, make such policy choices. What emerges from all those choices is a policy that can be put into action. At the second level, we can speak of policy *outputs*—policy choices being put into action. Here, the government is actually doing things: spending money, hiring people, or promulgating regulations that are designed to affect the economy and society. Outputs may be virtually synonymous with the term *program* as it is commonly used in government circles.⁴

Finally, at the third level, we have policy *impacts*—the effects that policy choices and policy outputs have on citizens, such as making them wealthier or healthier or the air they breathe less polluted. These impacts may be influenced in part by other factors in the society—economic productivity, education, and the like—but they also reflect to some degree the success or failure of public policy choices and outputs. These policy impacts also may reflect the interaction of a number of different programs. Successful alleviation of poverty, for example, may depend upon a number of social programs, education, economic programs, and the tax system. If any of these does not perform well, it may be impossible for government and the society that it represents to reach their desired goals. Further, success in alleviating policy may depend on economic growth as much as it depends on the intervention of the public sector, such that determining cause and effect is difficult.

Several aspects of public policy require some explanation. First, although we are focusing on the central government in Washington, we must always remember that the United States is a federal system in which a large number of subnational governments also make policy decisions. Even when they attempt to cooperate, the levels of government often experience conflicts over policy. For example, attempts by the George W. Bush administration to enforce national standards for education through the No Child

Left Behind program encountered opposition from the states and eventually also from Congress, each with its own ideas about what those standards should be and how they should be enforced. Those differences became even more pronounced during the Obama administration and its attempts to create a common core curriculum. Even within the federal government, the actions of one agency may conflict with those of another. The US Department of Agriculture, for example, still subsidizes the growing of tobacco, while the US Office of the Surgeon General encourages citizens not to smoke.

Second, not all government policies are implemented by government employees. Many are actually implemented by private organizations or by individual citizens, and the involvement of the private sector in implementation continues to increase.⁵ We must understand this if we are to avoid an excessively narrow definition of public policy as concerning only those programs directly administered by a public agency. A number of agricultural, social, and health policies involve the use of private agencies operating with the sanction of and in the name of government. Even the cabin attendant on an airplane, making an announcement to buckle seat belts and not to smoke is implementing a public policy. As government has begun to use an increasing number of alternative mechanisms, such as contracts, for implementation, private sector providers are becoming increasingly important in delivering public policy.

Even if a government implements a program directly, it may not act through its own employees. The federal government in particular depends on state and local governments to implement a large number of its programs, including major social programs, such as Medicaid, the “workfare” reforms to the welfare system, and a good portion of environmental policy. The Affordable Care Act administrators had hoped to use the states to administer the exchanges called for in the act, but only sixteen agreed to do so. The degree of control that the federal government can exercise in those instances may be as small as or even smaller than when programs are delivered through private sector agents, who often depend on government for contracts and loans and therefore may be very compliant with demands from Washington.

Third, and most important, we are concentrating on the effects of government choices on the lives of individuals within the society. The word *policy* is commonly used in a number of ways. In one usage, it denotes a stated intent of government, as expressed in a piece of legislation or a presidential speech. Unfortunately, any numbers of steps are required to turn a piece of legislation into an operating program, and all too frequently, significant changes in the intended effects of the program result from difficulties in translating ideas and intentions into actions. In this analysis, we will place greater emphasis on the effects of policies than on the intentions of the individuals who formulated them. We must also have some degree of concern for the legislative process, which produces the good intentions that may or may not come to fruition.

Our definition recognizes the complexity and the interorganizational nature of public policy. Few policy choices are decided and executed by a single organization or even a single level of government. Instead, policies, in terms of their effects on the public, emerge from a large number of programs, legislative intentions, and organizational interactions that affect the daily lives of citizens. For example, environmental issues now are handled not only by the Environmental Protection Agency but also by the Department of the Interior, the Department of Agriculture, the Department of Health and Human Services, and even the Department of Defense.⁶ This conception of policy also points to the frequent failure of governments to coordinate programs, with the consequence that programs cancel one another out or produce a costly duplication of effort.⁷ The question

about government that Harold Lasswell posed many years ago, “Who gets what?” is still central for understanding public policy.

THE INSTRUMENTS OF PUBLIC POLICY

Governments have a number of instruments through which they can influence society and the economy and produce changes in the lives of citizens. For example, government can choose to provide education by directly supplying that service, by providing vouchers that parents can use to pay for their children’s education, or by subsidizing privately managed charter schools (see Chapter 13). The choice of which instrument to employ for any particular situation may depend on the probable effectiveness of the instrument, its political palatability, the experiences of the policy designers, and national or organizational tradition. Furthermore, some policy instruments may be effective in some circumstances but not in others. Unfortunately, governments do not yet have sufficient knowledge about the effects of their “tools” or the relationship of particular tools to particular policy outcomes to be able to make effective matches.⁸ It appears that most choices are now made out of habit and familiarity, not out of certain knowledge of effectiveness.

Law

Law is a unique resource of government. It is not available to private actors, who have access to the other instruments of policy discussed here.⁹ Governments have the right to make authoritative decrees and to back up those decrees with the legitimate power of the state. In most instances, simply issuing a law is sufficient to produce compliance, but monitoring and enforcement are still crucial to the effectiveness of the instrument. Citizens may obey speeding laws most of the time, but the prospect of a police officer with a radar set makes compliance more probable. Citizens daily obey many laws without thinking about them, but police, tax collectors, and agencies monitoring environmental damage, occupational safety, and product safety (to name only a few) are also busy attempting to ensure compliance through their enforcement activities.

We should make several other points about the use of law as an instrument of public policy. First, laws are used as the means of producing the most important outputs of government: rights. Such laws are usually of a fundamental or constitutional nature and are central in defining the position of citizens in society. In the United States, the fundamental rights of citizens are defined in the Constitution and its amendments, but rights also have been extended in a variety of other legislation. This extension has been most significant for the rights of nonwhites and women, as reflected in the passage of the Voting Rights Act of 1965, the Equal Employment Opportunity Act of 1972, and the Civil Rights Act of 1991. The Americans with Disabilities Act (1990) extended a variety of rights to people with various forms of disability, with the courts tending to expand the applicability of that law to groups, such as AIDS sufferers,¹⁰ for whom it was perhaps not intended by the framers of the legislation. Law is now being used by some groups to attempt to extend rights, notably the right to marry, to homosexuals, and other groups also use law to attempt to limit those rights¹¹ (see Chapter 16).

Second, the United States uses laws to regulate economic and social conditions to a greater extent than most countries do. The United States is frequently cited as having a small public sector in comparison with other industrialized countries because of lower

levels of taxing and spending. If, however, the effects of regulations are included, government in the United States approaches being as pervasive as it is in Europe.¹² The costs of government's interventions in the United States tend to appear in the price of products, however, as much as in citizens' tax bills.¹³ This indirect effect of intervention tends to be less visible to the average citizen than a tax and therefore is more palatable in a society that tends to be skeptical about government.

Third, law can be used to create burdens as well as benefits. This is certainly true for tax laws and is also true, for example, of legislation that mandates the recycling of metal, glass, and plastic. Often, a law that creates benefits for one group of citizens is perceived by others to be creating a burden; environmental laws satisfy conservationists but often impose costs on businesses. Any action of government requires some legal peg on which to hang, but the ability of a simple piece of paper to create both rights and obligations is one of the essential features of American public policy.

Services

Governments also provide a number of services directly to citizens, ranging from defense to education to recreation. In numbers of people employed, education is by far the largest directly provided public service, employing more than nine million people. The Department of Defense employs just under another three million people, military and civilian. Government tends to provide services when there is a need to ensure that the service is provided in a certain way (education) or where the authority of the state (policing) is involved. Furthermore, services tend to be delivered directly to parts of the population that are less capable of making autonomous decisions on their own, such as children and the mentally impaired.

The direct provision of public services raises several questions, especially as continuing pressures exist for government to control expenditures and to "privatize."¹⁴ An obvious question is whether the direct provision of services is the most efficient means of ensuring that a service is delivered to citizens. Could that service be contracted out instead? A number of public services have been contracted out to private corporations, including traditional government services, such as firefighting, tax collection, and operating prisons.¹⁵ Contracting out removes the problem of personnel management from government, a problem magnified by the tenure rights and pension costs of public employees under merit systems. Also, government tends to build a capacity to meet maximum demand for services, such as fire protection and emergency medical care, resulting in underutilization of expensive personnel and equipment. This tendency to create too much capacity can be corrected in part by contracting out.

Another interesting development in the direct provision of services is the use of quasi-governmental organizations to provide services.¹⁶ There are some services that government does not want to undertake entirely but that require public involvement for financial or other reasons. The best example is Amtrak, a means of providing public subsidies for passenger train service in the face of declining rail service in the United States. Government may also choose quasi-governmental organizations for programs that require a great deal of coordination with private sector providers of the same service or when the service is in essence a marketable one. At an even greater degree of separation, governments also use not-for-profit organizations to provide public services. The George W. Bush administration pressed for wider use of such organizations, especially faith-based organizations. President Barack Obama continued the emphasis, working to mobilize not-for-profit organizations—whether faith based or not—during his administration.

Money

Governments also provide citizens, organizations, and other governments with money. Approximately 65 percent of all money collected in taxes by the federal government is returned to the economy as transfer payments to citizens. Transfers to citizens range from Social Security and unemployment benefits to payments to farmers to support commodity prices. Interest on the public debt is also a form of transfer payment, one that now absorbs nearly 8 percent of total federal spending. Another 10 percent of tax receipts is transferred to other levels of government to support their activities.

The use of money transfers to attempt to promote certain behaviors is in many ways an inefficient means for reaching policy goals. The money paid out in Social Security benefits, for example, is intended to provide the basics of life for the recipients, but nothing prevents those recipients from using it to buy food for their pets rather than for themselves. The claims about how “welfare” payments are used and abused are legion, if often inaccurate. Thus, although the direct provision of services is costly and requires hiring personnel and erecting buildings, many transfer programs, though less expensive, are much less certain of reaching the individuals and achieving the goals for which they were intended.

Money dispersed to other levels of government can be restricted or unrestricted. Of the over \$500 billion given to state and local governments in 2010, most were distributed as categorical grants, with an increasing proportion being given as block grants. Categorical grants channel resources more directly to the problems identified by the federal government as needing attention, but they also tend to centralize decision-making about public policy in Washington.¹⁷ Categorical grants also tend to encourage state and local spending through matching requirements and to create clienteles that governments may not be able to eliminate after the federal support has been exhausted. Although this pattern of funding was largely associated with social and economic programs, the Clinton administration’s program for funding the hiring of additional police created expectations among citizens that local governments would have to fulfill in the future, and Homeland Security funding has created the same effect after the Bush administration.

The federal government has less control over the impact of block grants than over the effects of categorical grants.¹⁸ Block grants allow greater latitude for state and local governments to determine their own priorities, but most still have some strings attached. Also, giving block grants to the states tends to concentrate power in state governments rather than allowing local (especially city) governments to bargain with Washington directly. Given that state governments are, on average, more conservative than local governments—especially large city governments that need federal grant money the most—block grants have been a useful tool for Republican administrations to control public spending.¹⁹

Taxes

The government giveth and the government taketh away. But the way in which it chooses to take away may be important in changing the distribution of burdens and benefits in society. In the United States, we are familiar with tax “loopholes,” or more properly, *tax expenditures*.²⁰ The latter term is derived from the theory that granting tax relief for an activity is the same as subsidizing that activity directly through an expenditure program.²¹ For example, in 2010, the federal government did not collect

roughly \$79 billion in income tax payments because of mortgage interest deductions and another \$16 billion because state and local property taxes were deductible. This is in many ways exactly the same as government subsidizing private housing in the same amounts, a sum far greater than the amount spent on public housing by all levels of government. The use of the tax system as a policy instrument as well as for revenue collection is perhaps even less certain in its effects than transfer payments, for the system is essentially providing incentives rather than mandating activities. Citizens have a strong incentive to buy a house, but there is no program to build houses directly. These instruments are, however, very cheap to administer, given that citizens make all the decisions and then file their own tax returns.

Taxes may also be used more directly to implement policy decisions. For example, there are proposals to substitute taxes on pollution for direct prohibitions and regulation of emissions, including emissions associated with climate change.²² The logic is that such an action would establish a “market” in pollution; those firms willing to pay the price of polluting would be able to pollute, while those less willing (or, more important, less able) because of inefficient production means would have to alter their modes of production or go out of business. The use of market mechanisms is assumed to direct resources toward their most productive use, whereas regulations at times may inhibit production and economic growth. Critics argue that what is being created is a “market in death,” when the only real solution to the problem is the prohibition or severe restriction of pollution.

Tax incentives are a subset of all incentives available to government to encourage or discourage activities. The argument for their use, as was well expressed by Charles Schultze, is that private interests (e.g., avarice) can be used for public purposes.²³ If a system of incentives can be structured effectively, then demands on the public sector can be satisfied in a more efficient and inexpensive manner than through direct regulation. Clearly, this form of policy instrument is applicable to a rather narrow range of policies, mostly those now handled through command and control regulation, but even in that limited range, the savings in costs of government and in the costs imposed on society may be significant. The use of such incentives, as opposed to command and control regulation, also conforms to traditional American ideas about limited government and the supremacy of individual choice.²⁴

Other Economic Instruments

Government has a number of other economic weapons at its disposal.²⁵ Governments supply credit for activities such as a farmer’s purchase of land and supplies.²⁶ When it does not directly lend money, the government may guarantee loans, thus making credit available (e.g., for student loans or Federal Housing Administration [FHA] mortgages) that might otherwise be denied. Governments can also insure certain activities and property. For example, federal flood insurance made possible the development of some lands along the coasts of the United States, thereby creating both wealth and environmental degradation. Almost all money in banks and thrift institutions is now protected by one of several insurance corporations within the federal government. Thus, in the economic downturn of 2008 and 2009, individual bank accounts were protected. And governments may simply use market mechanisms to encourage citizens and firms to behave in certain ways.²⁷

Although these instruments may be important to their beneficiaries and may influence the spending of large sums of money, they do not appear as large expenditures in most government accounting schemes. Thus, as with regulations and their costs, the

true size of government in the United States may be understated if one looks simply at expenditure and employment figures. In addition, the ability of these programs to operate “off budget” makes them not only less visible to voters but also more difficult for political leaders and citizens to control. Only when there are major problems, as in the bursting of the housing bubble and the credit crisis in 2008, do government insurance, guarantee schemes, and federal “bailouts” make the news.

Suasion

When all other instruments of policy fail, governments can use moral suasion to attempt to influence society. Government as a whole or particular political officials are often in a good position to use such suasion because they can speak in the name of the public interest and make those who oppose them appear unpatriotic and selfish. As Theodore Roosevelt said, the presidency is a “bully pulpit.” Suasion, however, is often the velvet glove disguising the mailed fist, for governments have formal and informal means of ensuring that their wishes are fulfilled. So when John F. Kennedy “jawboned” steel industry officials to roll back a price increase, the patriotism of the steel officials was equaled by their fear of lost government contracts and Internal Revenue Service investigations of their corporate and personal accounts.

Suasion is an effective instrument as long as the people regard the government as a legitimate expression of their interests. There is evidence that the faith and trust of US citizens in government has been declining (see Table 1.1) in response to the excesses of Vietnam, Watergate, budget deficits, the inadequate response to Hurricane Katrina, and so forth. Congress members in particular are regarded very poorly by the public. As governments lose some of their legitimacy, their ability to use suasion naturally declines, pushing them toward more direct tools of intervention that could lead to increases in government employment and taxation and perhaps to an accelerated downward spiral of government authority. In 2012, the public viewed Congress members only slightly more favorably than car salesmen, who anchored the bottom of the scale. On the other hand, police had achieved a major increase in respect, in part because of their heroism after 9/11. One exception to the trend of declining trust in government may be in times of war, as President George H. W. Bush showed during the Persian Gulf crisis. The second President Bush also used suasion and manipulated powerful national symbols in the “war on terror,” although his ability to do so declined as his term ended.

Suasion is one version of using information and argumentation to produce changes in behavior. Governments have, however, been moving toward using more subtle instruments to encourage individuals to behave in certain ways. Going under the general category of “nudge,” the assumption is that if governments can make compliance fun or persuade individuals to do the right thing, then they can produce desired policy outcomes at minimal cost.²⁸ While this less visible form of suasion can be considered paternalistic or even undemocratic, it has become an increasingly common form of intervention.

The Effects of Tools

Governments have a number of instruments with which they attempt to influence the economy and society by distributing what burdens and benefits they have at their disposal. The most fundamental benefits governments have to confer are rights. These are largely

legal and participatory, but with the growth of large entitlement programs that distribute cash benefits to citizens, rights may now be said to include those programs as well.

Governments also distribute goods and services. They do so directly by giving money to people who fall into certain categories (e.g., the unemployed) or by directly providing public services, such as education. They also do so less directly by structuring incentives for individuals to behave in certain ways and to make one economic decision rather than another. Governments also distribute goods and services through private organizations and through other governments, in attempts to reach their policy goals. A huge amount of money flows through the public sector, where it is shuffled around and given to different people.²⁹ The net effect is not as great as might be expected from the number of large expenditure and revenue programs in operation in the United States, but that effect is to make the distribution of income and wealth somewhat more equal than would be the case through the market alone.³⁰

Finally, governments distribute burdens as well as benefits. They do this through taxation and through programs such as conscription for military service.³¹ Like expenditures, taxes are distributed broadly across the population, with state and local taxes tending to be collected from an especially broad spectrum. Even the poorest citizens have to pay sales taxes on many things they purchase, and they must pay Social Security taxes as soon as they begin to work. In other words, everyone in society benefits from the activities of government, but everyone also pays for them.

THE ENVIRONMENT OF PUBLIC POLICY

Several characteristics of the political and socioeconomic environment in the United States influence the nature of policies adopted and the effects of those policies on citizens. Policy is not constructed in a vacuum; it is the result of the interaction of all the background factors with the desires and decisions of those who make policies. Neither individual decision-makers nor the nature of “the system” appear capable alone of explaining policy outcomes. Instead, policy emerges from the interaction of a large number of forces, many of which are beyond the control of decision-makers.

Conservatism

US politics is relatively conservative in policy terms. The social and economic services usually associated with the mixed-economy welfare state are generally less developed in the United States than in Europe, and to some extent they have declined since the 1990s. In general, that is the result of the continuing American belief in limited government. As Anthony King has said, “The State plays a more limited role in America than elsewhere because Americans, more than other people, want it to play a limited role.”³² The Republican domination of electoral politics for much of the past three decades emphasizes the underlying conservatism of Americans. The election of Barack Obama, however, also shows that there are limits to that conservatism and that the American public has some underlying commitment to social values. That said, the rise of the Tea Party movement and the appeal of some libertarian candidates in the Republican primaries of 2012 indicate how intense the conservative ideology is for some elements within the population.

Several points should be brought out that counter the description of US government as a welfare state laggard. First, the government of the United States regulates and controls

TABLE 1.1
Public Perception of Honesty and Ethics in Various Professions (percentages of “very high” and “high” responses combined)

	1981	1985	1990	1992	1995	2005	2008	2011	2017
Pharmacists	59	65	62	66	66	67	70	73	62
Clergy	63	67	57	54	56	54	56	52	42
Medical doctors	51	50	52	52	54	65	64	70	65
Engineers	48	53	50	48	53	n.a.	n.a.	n.a.	n.a.
Police	44	47	49	42	41	61	56	54	56
Journalists	32	31	30	27	23	28	25	26	25
Bankers	39	38	32	27	27	41	23	25	25
Lawyers	25	27	22	18	16	18	18	19	18
Business executives	19	23	25	18	16	16	12	18	16
Local officeholders	14	18	21	15	21	n.a.	20	n.a.	24
Real estate agents	14	15	16	14	15	20	17	20	n.a.
Labor union leaders	14	13	15	14	14	16	16	18	n.a.
US senators	20	23	24	13	12	16	n.a.	n.a.	n.a.
State officeholders	12	15	17	11	15	n.a.	12	n.a.	19
Members of Congress	15	20	20	11	10	14	12	7	11
Car salesmen	6	5	6	5	5	8	7	7	10

Sources: *Gallup Poll Monthly*, November 1995, 31; Gallup Poll, January 18, 2005; Gallup Poll, November 7, 2008; Gallup Poll, June 23, 2011; Gallup Poll, December 7-8, 2014; Gallup Poll, December 4-11, 2017.

Note: n.a. = not available.

the economy in ways not common in Europe, and in some areas such as consumer product safety, it appears to be ahead of many European governments. If the effects of regulation are tabulated along with more direct public interventions into the economy, the US government appears more similar to those of other industrialized countries. We also tend to forget about the activities of state and local governments, which frequently provide gas, electricity, water, and even banking services to their citizens.

It is easy to underestimate the extent of the changes in public expenditures and the public role in the economy that followed World War II. Let us take 1948 as the starting point. Even in that relatively peaceful year, defense expenditures were 29 percent of total public expenditures and 36 percent of federal expenditures. At the height of the Cold War, in 1957, defense expenditures were 62 percent of federal expenditures and 37 percent of total public expenditures. In contrast, in 2011, defense expenditures were 7 percent of total expenditures and 15 percent of federal expenditures. Spending on social services—including education, health, social welfare, and housing—increased from 7 percent of total spending in 1948 to over 64 percent in 2011. Even for the federal government, social spending now accounts for more than 50 percent of total expenditures. The US government and its policies may be conservative, but they are less so than commonly believed and less so in the early twenty-first century than in the 1950s.

It is also easy to overestimate the conservatism of the American public because Americans are often very ambivalent about government.³³ Lloyd A. Free and Hadley Cantril described Americans as “ideological conservatives” and “operational liberals,”³⁴ because they tend to respond negatively to the idea of a large and active government but positively to individual public programs (e.g., Social Security, police protection, and education). For example, a majority of voters leaving the polls in California after voting in favor of Proposition 13, to cut taxes severely in that state, were in favor of reducing public expenditures for only one program—social welfare. For most programs the researchers mentioned, larger percentages of respondents wanted to increase expenditures than wanted to reduce them.³⁵ Likewise, citizens express great skepticism about government in polls, but in the 2008 elections, the voters approved most propositions on state and local ballots to raise revenues for specific purposes as well as voted for a liberal president and Congress. Even in the tide of conservative victories in the 2010 election, a number of ballot initiatives proposing new taxing and spending were successful.

The election of 2016 may be taken as something of a triumph for conservatism, given that both houses of Congress and the presidency were taken by the Republicans. Although President Trump’s campaign had a number of conservative positions, its populist positions were not compatible with usual conservative ideology. The difficulties in legislating after the election demonstrated that not all Republicans had the same conservative agenda.

The huge federal deficit is to some degree a function of this set of mismatched ideas about government; politicians can win votes both by advocating reducing taxes and by advocating spending for almost any program. For example, surveys show that the majority of Americans believe that they pay too many taxes and that the federal government wastes almost half of all the tax money it collects.³⁶ On the other hand, there are generally majorities in favor of a variety of social programs, especially those for the more “deserving poor”—the elderly, unemployed workers whose companies have closed, divorced and widowed mothers, and the like. Furthermore, although Americans dislike the idea of socialized medicine, they also dislike the inequality in health in the United States (see Chapter 11).

Participation

Another attitudinal characteristic that influences public policy in the United States is the citizen's desire to participate directly in government. A natural part of democratic politics, public participation has a long history in the United States. The cry "No taxation without representation" was essentially a demand to participate. More recently, populist demands for participation and the right of "the little man" to shape policy have been powerful political forces. In a large and decentralized political system that deals with complex issues, however, effective participation may be difficult to achieve. Although the 2008 elections saw an increase in voter turnout, especially among young people and minorities, the low rate of participation in most elections appears to indicate that citizens do not consider the voting process a particularly effective means of influencing government. Both the presidential election turnout in 2012 and that in 2016 were lower than in 2008, despite the claims of President Trump to the contrary.

Government has increasingly fostered participation. The laws authorizing "community action" in 1964 were the first to mandate "maximum feasible participation" of the affected communities in urban renewal decisions. Similar language was written into a number of other social and urban programs. The regulatory process also imposes requirements for notification and participation that, in addition to their positive effects, have slowed the process considerably. Government also has been allowing more direct participation in agency rule making, with affected interests allowed to negotiate among themselves the rules that will govern a policy area.

The desire for effective participation has to some degree colored popular impressions of government. Citizens tend to demand local control of policy and to fear the "federal bulldozer." Although objective evidence may be to the contrary, citizens tend to regard the federal government as less benevolent and less efficient than local governments. The desire to participate and to exercise local control then produces a tendency toward decentralized decision-making and a consequent absence of national integration. In many policy areas, such decentralization is benign or actually beneficial. In others, it may produce inequities and inefficiencies. But ideological and cultural desires for local control may override practical arguments.

Ideas about participation in the United States also have at times had a strong strand of populism, meaning the belief that large institutions—whether in government, business, or even labor—are inimical to the interests of the people. The antigovernment, anti-tax rhetoric that President George W. Bush used so effectively is one example of that populist style in American politics. That style of populism can be contrasted with a rather different approach by President Obama, who appealed to the American people with an all-inclusive message of unification that defies partisanship. The populist ideas reasserted themselves in 2010 and after in both the Tea Party and the Occupy movements. The institutions of government have begun to respond to demands for effective participation, and *empowerment* has become one of the more commonly used words in government circles.³⁷ Balancing popular demands for greater direct democracy with the requirements of governing an immense landmass with over three hundred million citizens will continue to be a challenge for American democracy.

Pragmatism

The reference to ideological desires seemingly contradicts another cultural characteristic of US policymaking, pragmatism—the belief that one should do whatever works

rather than follow a basic ideological or philosophical system. For most of our collective history, American political parties have tended to be centrist and nonideological; perhaps the surest way to lose an election in the United States has been to discuss philosophies of government. Ronald Reagan questioned that characteristic of American politics to some degree, interjecting an ideology of government that was partly continued by George H. W. Bush. Bill Clinton's self-description as a "new Democrat" represented a return to greater pragmatism. George W. Bush claimed to be a "compassionate conservative" in his first election campaign, but his style, and especially that of members of Congress, transformed American politics into something of a battle of ideologies.

The years following the election of Barack Obama as president have, however, been marked by partisan and ideological debate. A long history of compromise was transformed into one of opposition and gridlock. The clearest manifestations of this were in battles over the debt ceiling and over the administration's policies to combat the recession. While Congress, the president, and other political elites continue to wrangle and make partisan pronouncements, the US public has expressed its dismay and disgust with the inability of the political system to make effective decisions to address the problems of the nation.³⁸

One standard definition of what will work in government is "that which is already working," and so policies tend to change slowly and incrementally.³⁹ The fundamentally centrist pattern of US political parties has tended to produce agreement on most basic policies, and each successive president tends to jiggle and poke policy but not attempt significant change. A crisis such as the Great Depression or a natural political leader



AP Photo/John Minchillo

Elections determine who controls Congress and the presidency and, therefore, set the parameters for policy choices in American government. Sen. Rob Portman, R-Ohio, far right, speaks to volunteers at a phone bank for his reelection campaign in Columbus, Ohio in 2016.

such as Reagan may introduce some radical changes, but stability and gradual evolution are the most acceptable patterns of policymaking. Indeed, American government is different after Reagan but not as different as he had hoped or intended.⁴⁰ Nor was George W. Bush able to change very much of the system, and even during the Great Recession, Barack Obama was generally incapable of bringing about the type of grand change that he proposed during his campaign. The battle over reform of Social Security typifies this persistence of policies (see Chapter 12). There has been concern about the financial soundness of this crucial program for years, but no agreement has coalesced on the direction or degree of change. The pragmatism of the policy process in the United States was clearly manifest in the defeat in 2005 of attempts at radical change in the Social Security program.⁴¹

As mentioned above, the pragmatism of American politics has been declining, and declining rapidly. Several issues over which there appears to be little room for compromise have split the US public. The obvious example is the abortion issue, which intruded into the debate over national health care reform during the Clinton administration, with some members of Congress refusing to support any bill that paid for abortions and others opposing any bill that did not.⁴² The support for Planned Parenthood through Medicaid was also a point of contention in the 2017 debates on health care.⁴³ Other issues with a moral, religious, or ethnic basis also have taken more prominent places in the political debate, leaving fewer possibilities for compromise or pragmatic resolution of disputes. The religious right has become especially important in the internal politics of the Republican Party, as groups such as the Christian Coalition and the Family Research Council have taken over at local and even state levels and attempted to shape the party's national policies.⁴⁴

The seeming decline in pragmatism in American politics is not just a function of religion. The political parties themselves have become more ideological.⁴⁵ Congressional politics has become more sharply divided along party lines, and compromise has become much more difficult, if not impossible, to achieve. Even when the country was facing potential financial disaster, President Obama's stimulus plan received no Republican votes in the House of Representatives and only three in the Senate.⁴⁶ The votes on subsequent economic issues such as raising the debt ceiling were partisan based. Citizens say that they do not like the wrangling among parties, but the parties seem more committed to their own views of politics than in the past. And some evidence indicates that the population is also clearly divided into political camps that find compromise difficult.⁴⁷

Wealth

Another feature of the environment of American public policy is the country's great wealth. Although it is no longer the richest country in the world in per capita terms, the United States remains the largest single economy in the world. This wealth permits the US government great latitude for action so that even the massive deficits experienced for several decades have not required government to alter significantly its folkways. The federal government can continue funding a huge variety of programs and policy initiatives, even while trying to control the size of the budget (see Chapter 7).

That great wealth is threatened by two factors, however. First, the US economy is increasingly dependent on the rest of the world. That is apparent in financial and monetary policy, as the United States has become the world's largest debtor, but it is true especially in dependence on raw materials from abroad. We are familiar with the nation's

dependence on foreign oil, but the economy is also heavily dependent on other countries for a range of commodities necessary to maintain its high standard of living. The American economy historically has been relatively self-sufficient, but increasing globalization in recent decades has emphasized its relationship to the world economy.⁴⁸

Wealth in the United States is also threatened by the relatively slow rate of capital investment and savings. The savings rate for the average American family was 5.3 percent in 2016, up from the period of the financial crisis, but still indicating that relatively little capital is available for investment. The average American worker is still very productive but has lost some ground to workers in other countries. Also, many US factories are outmoded, so competition on the world market is difficult. These factors, combined with relatively high wages, mean that many manufacturing jobs have gone overseas and more are likely to do so. This loss of jobs played a significant role in the 2016 presidential campaign, but there is little evidence that the trend will be reversed. The US government has had to borrow abroad to fund its deficits, and the country has chronic balance of payments problems because exports trail imports. Such international trade problems are not often direct domestic concerns of American politicians, although the Democrats have attempted to make them more of a concern in recent presidential campaigns.

In addition to the changing distribution of wealth in the United States relative to the remainder of the world, the internal distribution of wealth has been changing and changing rapidly. Although there was substantial economic growth during the first decade of the twenty-first century, most of the economic growth went to the most affluent segments of society, while the real earnings of most citizens were stagnant or even declining. The economic (and political) strength of the United States has been built on a large middle class, a group that is now under great threat. They are in part under threat because of the international trade issues and falling wages used as a means of competing with overseas manufacturers. The distribution of wealth following the Great Recession has become increasingly skewed toward the very wealthy, with the middle class tending to lose wealth in absolute as well as relative terms.⁴⁹

Diversity

The diversity of the American society and economy provides a great deal of richness and strength to the country as well as real policy problems. One of the most obvious diversities is the uneven distribution of income and wealth. Even with the significant social expenditures mentioned earlier, approximately forty-six million people (1 in 6) in the United States live below the poverty line (see Chapter 12). The persistence of poverty in the midst of plenty remains perhaps the most fundamental policy problem for the United States, if for no other reason than that it affects so many other policy areas,⁵⁰ including health care, housing, education, crime, and race relations. Moreover, there is growing concentration of income and wealth in the very affluent stratum at the top of society that may undermine confidence in the economic and social justice of the political system.

Diversity of racial and linguistic backgrounds is another significant factor affecting policy in the United States. The underlying problems of social inequality and racism persist despite many attempts to correct them. The “two Americas” had never been so visible as they were in New Orleans after Hurricane Katrina⁵¹ and the “Black Lives Matter” movement has made the differences all the more visible. The concentration of minority group members in urban areas, the continuing influx of immigrants, and the unyielding economic distress of some cities combine to exacerbate the underlying problems. Again,

this diversity affects a variety of policy areas, especially education. Race in particular pervades policymaking and politics in the United States, and that fundamental fact conditions our understanding of education, poverty, and human rights.⁵² These issues of diversity have now become more apparent politically in the debate over immigration policy, with immigration playing a major role in the 2016 campaign.

The social and economic characteristics of the country taken as a whole are also diverse. The United States is both urban and rural, both industrial and agricultural, both young and old. It is a highly educated society with several million illiterates; it is a rich country with millions of people living in poverty. In at least one state, California, there already is no majority ethnic group, and in a few generations, that may be true for the country as a whole. American policymakers cannot concentrate on a single economic class or social group but must provide something for everyone if the interests of the society as a whole are to be served. But serving that whole range of social interests forces government to spend—for other purposes—the resources that could be applied to rectifying the worst inequalities of income and opportunity.

World Leadership

The United States has been an economic, political, and military world leader. Since the collapse of the Soviet Union, it has been the only remaining superpower. If the United States sneezes, the world still catches cold, because the sheer size of the American economy is so important in influencing world economic conditions, as the 2008 financial crisis demonstrated. Despite the upheaval in global political alignments, the world still expects military and diplomatic leadership for the West to come from the United States.

The US position as world leader imposes burdens on American policymakers. Although the Cold War had ended, the role of peacekeeper required a good deal of US military might, even before the war on terror escalated military spending. Burdens also arise from the need to provide diplomatic and political leadership. The US dollar, despite some significant competition, remains a major reserve currency in the world economy, and that status imposes additional economic demands on the country. The role of world leader is an exhilarating one, but it is also one filled with considerable responsibility and economic cost. Indeed, the globalization of the economic system is making many Americans rethink the desirability of major international involvement. American acceptance of this role may also be waning as the costs (human and material) of involvement in Iraq and Afghanistan and greater insecurity at home have turned more attention inward rather than outward to the world.

The Trump administration has to some extent willingly abdicated the world leadership that has characterized the position of the United States. This willingness to give up leadership was seen most clearly in the repudiation of the Paris Climate Accord.⁵³ It has also been seen in relationships with North Atlantic Treaty Organization (NATO) and the economic partners in the group of twenty (G-20) countries. While a reduced international role may have some benefits, it also fundamentally alters not only American policies but also the international system.

The policies that emerge from all these influences are filtered through a large and extremely complex political system. The characteristics of that government and the effects of those institutional characteristics on policies are the subject of the next chapter. Policy choices must be made, and thousands are made each day in government; the sum of those choices rather than any one decides who gets what as a result of public policies. In the

United States, more than in most countries, there are a number of independent decision-makers whose choices must be factored into the final determination of policy.

SUMMARY

American public policy is the result of complex interactions among a number of complex institutions. It also involves a wide range of ideas and values about what the goals of policy should be and what are the best means of reaching them. In addition to the interactions that occur within the public sector are the interactions with an equally complex society and economy. Indeed, society is playing an increasingly important role in policymaking and implementation, with reforms in the public sector placing increasing emphasis on the capacity of the private sector to implement, if not make, public policy.

Making policy requires reaching some form of social and political consensus among all these forces. There does not have to be full agreement on all the values and all the points of policy, but enough common ground must be found to pass and implement legislation. Building those coalitions can extend beyond reaching ideological agreement to include bargaining and horse trading, which assign a central role to individual policy entrepreneurs and brokers. There is so much potential for blockage and delay in the American political system that some driving force may be needed to make it function.

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