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Public Policy: Perspectives and Choices

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## -Why Study Public Policy

**Citizens of the United States are characterized by their optimism** grounded in a notion of progress: the present is better than the past, and the future will be better than the present. This optimism was reinforced by several "narrow escapes" that seemed to validate the notion that "despite its imperfections, the system works."<sup>1</sup> However, since the turn of the present century, one seems to find an increasing anxiety that the United States might be running out of luck. The future may not be better than the past. The first session of the 113th US Congress was so gridlocked that just sixty-five bills became law, fewer than in any other year in recorded congressional history. Many members of Congress exhibit an antigovernment populism that views government as no more than a necessary evil.

The nation's involvement in two unpopular wars, budget deficits, the deepest recession since the Great Depression, growing economic inequality, and political gridlock have left many citizens resigned to elections that fail to bring the hoped-for change. Politicians are increasingly unwilling to set politics aside in seeking "common ground" for the greater good. A view that the nation's political and private leadership is concerned primarily with protecting their own interests at the expense of average (and even comfortable) citizens appears to be widely shared. As a result, many in the United States no longer think of government as a precious national institution. They are alienated from political and nonpolitical institutions and, in frustration, increasingly forgo participation in those institutions and focus on their more immediate concerns.

Public opinion polls consistently indicate that people worry about their economic well-being more than anything else. They worry about educating their chil-

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dren and meeting their mortgage payments. They worry about the high cost of health care for their families and the needs of elderly parents. They are concerned about the possibility of another economic slowdown and the threat of unemployment. Economic concerns cut across all age groups. Students worry about high tuition rates, paying their rent, and finding employment and paying off student loans when they graduate. Many people also express concern for broader economic issues like federal budget deficits, taxes, interest rates, and inflation. Many are increasingly aware that their own personal well-being is somehow related to broader social trends and government policymaking decisions.

Precisely because of the current stresses in US society, a course on public policy may be the most timely social science course a student can take. More important than ever is that citizens understand the importance of the communitarian idea of the framers of the constitution: that citizens of this country have inalienable rights and social responsibilities for each other. The society they bequeathed to the following generations has the difficult mission of balancing three elements that frequently conflict: the state, the market, and the community. The challenging task is to encourage each of these elements to flourish in its appropriate role. As a whole, a public pursues the ideal of the good society, or an improvement in "the general welfare." While the vision of the good society may never be quite attainable, it guides policy efforts, and it provides a metric by which progress can be measured.

Virtually every aspect of an individual's life from birth to death is affected in countless ways by public policy decisions of government. Most citizens are born in hospitals that are subsidized by the government through statutes such as the Hospital Survey and Construction Act of 1946, which provides public subsidies for the construction of hospitals. Over 90 percent of US children attend public schools. Practically every citizen will, at some time, receive money from the government through college student loans, unemployment compensation, antipoverty programs (e.g., food stamps, earned income tax credits), Medicaid, Medicare, or Social Security. All will pay some form of taxes to the government. More than one of every six US workers are employed by the government. Who makes public policy decisions, as well as how these decisions are made, is thus of utmost importance. Today, public problems are more complex, interconnected, and global than in the more agrarian society at the turn of the nineteenth century. These policy problems require rigorous analysis along with an understanding of the strategies needed to turn imaginative policy ideas into practical problem solving in making policy choices.

Why does the government engage in some public policies and not others? Why has the scope of public policies changed over the past century, and why are the policy roles of government different in different countries?

## What Is Public Policy?

No unanimity can be found on a precise definition of public policy. **Public policy**\* can be described as the overall framework within which government actions are undertaken to achieve public goals, with a good working definition of public policy, for our purposes, being the study of government decisions and actions designed to deal with a matter of public concern. Policies are purposive courses of action devised in response to a perceived problem. Public policies are filtered through a specific policy process, adopted, implemented through laws, regulatory measures, courses of government action, and funding priorities, and enforced by a public agency. Individuals and groups attempt to shape public policy through the mobilization of interest groups, advocacy education, and political lobbying. Official policy provides guidance to governments over a range of actions and also provides mutual accountability links between the government and its citizens. The policy process includes several key aspects: a definition of the problem to be addressed, the goals the policy is designed to achieve, and the instruments of policy that are employed to address the problem and achieve the policy goals.

Public policy is the heart, soul, and identity of governments everywhere.<sup>2</sup> Elected officials are voted into power by the sovereign citizens of a country due to those citizens' desire to affect public policy. The potential policies advertised by candidates and the party in question during the election campaigns, as well as previous policies espoused and their implementation or nonimplementation when each side was in power, influence citizens to vote for (or against) placing candidates in a position of authority. Policy analysis describes the investigations that produce accurate and useful information for decisionmakers. The importance of sound public policy analysis in achieving various goals related to the growth and development of a nation and its citizens cannot be overemphasized. For example, the adoption and implementation of public policies helped the nation recover from the Great Depression and mobilized the country to respond to acts of aggression in World War II. Public policies passed key social welfare legislation such as the Social Security Act of 1935, the Civil Rights Act of 1964, and the Voting Rights Act of 1965, along with the legislation that created the Medicare and Medicaid programs, to cite just a few. Conversely, without sound public policy planning, a nation languishes and cannot keep up with an ever-changing world. The recent politics of obstruction in Washington is alarming to many public policy scholars and is reflected in the disapproval of the performance of Congress by the public in opinion polls, precisely because it threatens the ability of the nation to keep up with the changing global scenario.

<sup>\*</sup> Key concepts are indicated in boldface at first definition in the book.

For all of these reasons public policy studies are of the utmost importance, as they help scholars, politicians, political scientists, and a better-informed public to analyze every policy in depth, identifying its strengths and weaknesses, in order to improve policy choices, formulations, and implementation. The feedback process helps the nation remain on par with the world's most rapidly developing and progressive nations.<sup>3</sup>

In a broad sense, the analysis of public policy dates back to the beginning of civilization. The social sciences emerged as a separate set of disciplines in the latter part of the nineteenth century. Critical to the development of the social sciences was the determined effort to borrow the empirical toolbox of the scientific method from the natural sciences to improve the analytical rigor in the study of human behavior. Social scientists share the conviction that rational scientific methods can be used to improve the human condition. The academic study of public policy emerged as a major subfield within the discipline of political science in the 1960s. Political scientists began to model the policymaking process.

## **Conceptual Models for Policy Analysis**

Models are widely used in the social sciences to investigate and illuminate causal mechanisms and understand the conditions in which certain outcomes are expected to occur. Some conceptual models are simply used to clarify our thinking about politics and public policy. These models, like maps, are representations of reality. Maps, merely depicting some aspects of reality, are partial representations of the world, in that they include some features of the world but not others, and therefore they have limited accuracy. The map's value is in whether it is similar enough to the world to be useful for a specific purpose. In this sense the map reflects the interest of the map user.<sup>4</sup> In the same manner, different models can identify important aspects of policy problems and provide explanations for public policy and even predict consequences. The following is a selection of some of the models frequently used by policy analysts to highlight certain aspects of policy behaviors.

## Institutional Model

The institutional model focuses on policy as the output of government as the ultimate decisionmaking authority. The model emphasizes constitutional provisions, judicial decisions, and common law obligations. Strictly speaking, a policy process does not become a public policy until it is adopted, implemented, and enforced by some government institution. Government institutions are crucial in that once a policy is officially adopted, the government provides *legitimacy* to that policy by enforcing it through government institutions. Government policies provide reciprocal legal rights and duties that must be recognized by involved citizens. Governmental policies also extend universally to all members of the society. Finally, governments alone have a monopoly on the legitimate use of coercive force in society and on sanction violators.

Some very successful interest groups focus their efforts on influencing critical institutions of government rather than winning popular support. The National Rifle Association (NRA) is an apt illustration of an interest group that generally finds its interests opposed by prevailing public opinion. The NRA has prevailed over overwhelming public opposition as measured in public opinion polling. The organization convinced the Supreme Court to interpret the Second Amendment to mean that the Constitution establishes firearm ownership as a right of citizenship enforceable against state and local governments that would unduly restrict that right in District of Columbia v. Heller (2008). The NRA, aware that the government has granted the right of gun ownership, appears to be ever mindful that it could rescind that right. A suspicious NRA is ever alert that *any* restraint of that right by the government could be the first step in a government conspiracy to seize all guns from private gun owners. The organization encourages its members to provide implacable opposition to politicians exhibiting insufficient zeal in defending the NRA's view on that single issue. In contrast, the majority who favor some restrictions of gun sales tend to be multiple issue voters, with other issues outweighing concerns over firearms. The NRA provides targeted campaign contributions to support friends and oppose political adversaries. It also provides major support to the American Legislative Exchange Council to influence state-level legislation to expand gun owner rights, such as "stand your ground laws," across the country. The NRA's phenomenal success closely tracks the institutional model as it demonstrates how policy output can be influenced by agents' putting pressure on government institutions. Its efforts recognize that both the national and state governments receive independent legal authority from their citizens.

## Incremental Model

This model focuses on how public policy decisions are made. Those who support this model suggest that public policy is primarily a continuation of past government activities with only incremental changes. Incrementalism, a conservative ideal, holds that current policy and programs possess a certain legitimacy as they already exist. Groups who are beneficiaries support the continuation of the status quo, and politicians generally accept the legitimacy of established programs and are inclined to continue them because the consequences of adopting and implementing completely new or different programs are not easy to predict. In short, concentrating on increases, decreases, or modifications of current programs is simpler and less risky for policymakers than embarking on totally new programs. The model is often criticized because it does not require the establishment of clear goals. It tinkers with current programs with the hope that goals and alternatives will become clearer over time. However, this model is defended as the way that policymakers actually make decisions. In fact, some argue that breaking down the implementation of major changes into smaller steps is necessary to make the changes more acceptable. For example, an administration proposal to raise the minimum wage by a significant amount is broken down into smaller increments over several years.

Political conflict and stress is increased when decisionmaking focuses on major policy changes that raise fears of significant gains or losses if the change does not have bipartisan support. The search for consensus and bipartisanship can be expected to begin with choices close to current programs and policies or positions previously endorsed by the political party now out of power. The Affordable Care Act (ACA) is an illustration of the strain when one party refuses to engage in bipartisan policy compromise. The ACA is a set of free-market reforms based on ideas developed in conservative think tanks like the Heritage Foundation. Instead of depending on taxpayer dollars, citizens take responsibility for their own health care. Instead of government programs, they use the free market. Where government aid is necessary, it is to be provided by encouraging free-market competition. As recently as 2007, Democrats and Republicans introduced a bipartisan bill that included an individual mandate and was viewed as a conservative idea.

The Republican Party, led by Senator Jim DeMint (R-SC) turned the health care debate into a personal battle against President Barack Obama, saying, "If we're able to stop Obama on this, it will be his Waterloo. It will break him."<sup>5</sup> The opposition to major change, even one that the opposing political party previously endorsed in some form, illustrates the high risks associated with major rather than incremental change in a highly charged partisan atmosphere. In fact, the ACA became law, legal challenges failed, and despite a public relations disaster in the rollout of the program, a new status quo has been established. Now opponents who want to repeal the ACA would, if successful, have to replace it with something suspiciously similar. The high costs and risks of significant changes in policy, without bipartisan support, illustrates why many policymakers are more likely to push for incremental changes.

In truth an administration faced with a political system mired in gridlock can realistically expect to seek only incremental victories. For example, in 2014, by picking issues that enjoy public support, the president hoped to garner bipartisan support on issues like immigration reform, unemployment insurance benefits, and increases in the minimum wage.

## Group Theory

This model, also called pluralism, holds that politics represents the struggle among groups to influence public policy. Public policy at any given time actually repre-

sents the equilibrium reached in the group struggles. The role of government is primarily to establish the legal and regulatory rules in the group struggle. Politicians engage in bargaining and negotiating with groups in an effort to form a majority coalition of groups. The political parties are viewed as coalitions of interest groups. The model holds that individuals and groups have overlapping memberships, which prevents any one group from moving too far from moderate values and any single interest from consistently dominating other groups.

Pluralists claim that the power of each group is checked by the power of competing groups, resulting in a marketplace of policymaking in almost perfect competition. Critics of pluralism claim that in fact different groups have vastly different resources. Some interests, such as those representing businesses or affluent professions, are very well organized and financed, while others, such as those representing poor or immigrant groups, have fewer financial resources and are more poorly organized, undermining any claim of group equilibrium. Some critics of the theory claim that the model ignores the role public officials play in public policy making. For example, President Obama has a great deal of influence over which policies get on the agenda or are given serious attention. Also, not all interests are represented, and in still other cases, a few groups may monopolize the influence over a policy area. This model has lost considerable support because it ignores some aspects of policymaking included in other models.

#### Elite Model

The elite model views public policy as reflecting the preferences and values of the power elite. The theory claims that society is divided between the elites who have power and the nonelites who do not. Every society has more nonelites than elites. Democracy is often thought to be good for the poor, since the poor greatly outnumber elites. Conventional wisdom suggests that democracy will lead to the choice of policies that reflect the preferences of the poor. In democratic societies the elites are concerned about the danger posed by the nonelites who could unite and overwhelm them at the ballot box and redistribute wealth downward. In this regard, James Madison is recorded in the minutes of the secret debates of the Constitutional Convention as stating that the new system "ought to be so constituted as to protect the minority of the opulent against the majority."<sup>6</sup> The elites are united in the values of protecting private property and limited government. They tend to have higher income, education, and status, which more than makes up for their lack of numbers relative to the nonelites. They use their money and organization to defend the status quo.

The elites shape mass opinion while mass opinion has little influence on elites. Generally, government officials tend to adopt and implement policies decided on by the elite, which flow in a downward direction to the masses. According to the model, elites permit the assimilation of some nonelites into the elite category, but only after they accept elite values, in the process encouraging system stability and reducing the threat of revolution. This model also supports the notion that changes in public policy should be small and incremental and reflect changes in elite values (not demands from the masses).

The implication of the model is that the state of policymaking rests primarily with the elites. The masses are generally apathetic and poorly informed. Mass opinions are manipulated by elites through control of much of the "mass media." Thus, the mass has only an indirect influence on policy decisions. In fact, many of the policy issues debated will generally be issues in which citizens' preferences for public policies differ along dimensions other than economic status. Many policy issues are inserted into political campaigns with the intent to divide voters along religious, ethnic, geographical, and cultural dimensions, rather than along straightforward economic lines.

Recent data provide evidence of the strength of the elite model. For example, the conservative majority of the Supreme Court led by Chief Justice John Roberts, the most probusiness court since the 1930s, has greatly expanded the rights of the financial elites. Most notably, the 2010 *Citizens United* ruling essentially allows corporations and wealthy individuals to spend unlimited sums to sway elections.<sup>7</sup> The wealthy and corporate interests have responded by overwhelmingly directing campaign funds to fiscally and socially conservative candidates. These independent expenditures grew from \$144 million in 2008 to \$1 billion dollars in 2012.<sup>8</sup>

A political network led by the conservative billionaires Charles and David Koch built a maze of groups outside the campaign finance system. The network cloaks its donors in secrecy, financially outspent all other independent groups on the right, and on its own matched all the contributions of labor unions to the Democrats.<sup>9</sup> The announced goal was to stop "government overreach" evidenced by the ACA, environmental regulations, and excessive federal spending.

The elite model accepts movement from nonelite to elite status as individuals acquire wealth and accept the elite culture. The possibility that individuals can rise from humble origins to economic heights is part of the American Dream. However, as the economic gap between rich and poor has widened, the reality is quite different. People living in the United States enjoy less economic mobility than their peers in Canada and much of Western Europe. In fact, the United States is one of the least mobile countries of the developed nations, for two oft-cited reasons: (1) the sheer magnitude of the gap between the wealthy and the rest in the United States and (2) the lack of unionization relative to many of its peer countries, which may lower wages.<sup>10</sup>

The United States of today has the most unequal distribution of wealth and income than at any time since the 1920s. Today, the richest 400 US citizens own more wealth than the bottom half of the US population (150 million people).<sup>11</sup> Notably, in 2010, Congressman Paul Ryan (R-WI) and former congressman and

Republican Party stalwart Newt Gingrich proposed eliminating all capital gains taxes, which would have lowered Massachusetts governor and future Republican Party presidential nominee Mitt Romney's tax rate to 0.82 percent. In 2012, Romney realized that idea could be politically damaging. So, unsurprisingly, in 2012 Ryan proposed a new tax plan that did not mention capital gains at all, leaving the fate of capital gains unclear.<sup>12</sup> During the presidential campaign of 2012, conservatives argued the campaign was between the "makers and the takers."

Finally, as the elite model suggests, during a time of rising income inequality, wealthier and better-educated citizens vote at higher rates than poorer, less educated people. Recent studies also suggest that voters are significantly more conservative than nonvoters on redistributive issues, a central issue in the debate about the proper scope and size of government.<sup>13</sup>

#### Scope of the Conflict Model

E. E. Schattschneider developed a model focused on the essential elements of public participation in the decisionmaking process. He criticized the classical definition of democracy as government "by the people" as being far from the reality.<sup>14</sup> His working definition of democracy took into account the people's limitations as well as their powers. Instead, he defined democracy as "*a competitive political system in which competing leaders and organizations define the alternatives of public policy in such a way that the public can participate in the decision-making process*."<sup>15</sup>

Schattschneider maintained that to understand the meaning of democracy in the United States, one must be aware of how conflict determines the role people play in the political system. All conflicts contain the elements that give rise to a riot. A conflict between two individuals always attracts bystanders who want to know what the fight is about. If the spectators do not get involved, the outcome of a quarrel or a fight will depend on the skill of the two participants. Because the bystanders outnumber the original participants, their role is crucial. If they get involved in the conflict, they will determine the outcome.

The central political point is that in a free society every conflict is extremely contagious. Every fight has the few who are actively involved at the center and the audience attracted to the scene. Schattschneider stated that the spectators are an overwhelming part of any political calculus because they are never really neutral. The outcome of every conflict is determined by the extent to which the audience becomes involved.<sup>16</sup> Those who are winning in a conflict will try to limit the scope of the conflict to those already involved, so as to ensure their preferred outcome. Those who fear that they will lose will try to enlarge the scope by drawing in bystanders sympathetic to their cause. Politics is the socialization of conflict. When

that the original participants may lose control of the conflict altogether.<sup>17</sup> When the scope of the conflict is significantly increased, both sides will unlikely be reinforced equally.

In fact, the ability to control the scope of a conflict is absolutely crucial to achieving a favorable outcome in a political battle of wills. A good indicator of which side favors the status quo and which favors change is found by determining which side attempts to limit the scope of the conflict and which side attempts to expand it. For example, one need only recall the number of states controlled by Republicans that passed voter ID laws. The voter ID laws restricted the number of early voting days and reduced the number of polling districts in lower income and minority districts. These laws are usually justified under the pretext of preventing voter fraud and defending the integrity of election results. Voter suppression can take many forms, but they all lead to an unwarranted imposition on eligible voters trying to exercise their most basic constitutional right.<sup>18</sup>

Special interest groups influence the scope of the conflict by lobbying for specific legislation. **Group theory** claims that people's interests are represented to the government by various organizations in almost perfect market equilibrium. The model holds that competition between special interest groups, such as those representing the food industry or health care groups that argue for legislation, results in compromise and moderation. Schattschneider profoundly disagreed. He pointed out that most pressure groups are probusiness and have an upper-class bias. Even most nonbusiness groups have an upper-class bias.<sup>19</sup> These pressure groups work to improve the well-being of their relatively small group against the public interest. He maintained that pressure groups go into the public arena to change the

## Case Study Voter Suppression: An Effort to Reduce the Scope of Conflict

Voting is a right and civic duty for all those eligible, and government has a responsibility to protect voters from those who would interfere with that right. Politicians legitimately try to manage the scope of the conflict by persuading likely voters for the opposing party's candidate to change their voting behavior. Campaigns are designed to highlight the strengths and wisdom of each party's candidate's respective political positions and the inferiority of those of the opponent.

Voter suppression was widely used in the South to discourage minority voters through poll taxes, literacy tests, and intimidation. Then, in 1965, President Lyndon B. Johnson pushed through the Voting Rights Act, which was intended to nullify various legal strategies designed to obstruct minority voting. In

continues

Case Study continued

1982, Section 2 of the act was amended to prohibit any practice or procedure that had a discriminatory result. No proof is required that the discrimination was intentional. Section 5 of the act covers jurisdictions that have a history of discrimination. Those jurisdictions were required to get a federal "preclearance" from the Department of Justice before implementing voting changes. The temporary sections of the law were renewed for twentyfive years by overwhelming votes in Congress and signed by President George W. Bush in 2006. (The vote in the House was 390–33 and in the Senate, 98–0.)

Just a few days after the election on November 6, 2012, the Supreme Court agreed to hear the case of *Shelby County v. Holder*, which was limited to the question of whether the reauthorization of Section 5 of the Voting Rights Act exceeded congressional authority under the Fourteenth and Fifteenth Amendments. The Court upheld Section 5 but struck down Section 4 as being based on outdated criteria and left it up to Congress to provide new criteria.

In the last several years eighteen states have enacted photo ID laws. Studies suggest that up to 11 percent of US citizens lack such identification. Supporters claim that voter ID laws are a necessary protection against voter fraud. Opponents claim that such requirements primarily affect the poor, elderly, and minority voters, who are far less likely to have a driver's license or passport. Thus voter ID laws are considered a suppression tactic, discouraging voters who would be more likely to vote for Democratic candidates.

An estimated 5 million US citizens are denied the right to vote because of previous felony convictions. Over 3.5 million of these individuals are no longer incarcerated. The United States has less than 5 percent of the world's population, but over 23 percent of the world's incarcerated people, four times the world average. Several countries allow prisoners to vote, and most countries that disenfranchise prisoners allow them to vote upon their release. The United States is the only democracy that bans a large percentage of prisoners from voting after their release. This disenfranchisement disproportionately affects the poor, African Americans, and Latinos.

Turnout among young, Latino, and African American voters increased as a share of the electorate in 2012. The youth vote increased from 18 to 19 percent, and the minority vote increased from 26 to 28 percent of the vote. Suppression efforts actually inspired a backlash among minorities who felt under siege. One of the most powerful messages across many demographics was to remind people that their vote was important to counter those who were kicking people off voter rolls. Thus far the primary response of the Grand Old Party (GOP) to the threatening demographics has been to try to reduce voter turnout among Democratic voters, rather than appealing to a more diverse electorate.

*Sources*: Ari Berman, "The GOP's Voter Suppression Strategy," *The Nation*, November 20, 2012, www.thenation.com/article/171404/gops-voter-suppression-strategy#. FairPlan2020, "Felon Disenfranchisement by State," March 11, 2008, http://www.fairvote2020.org/2008/03/felon-disenfranchisement-by-state .html. National Council of State Legislatures, "Voter Identification Requirements," October 17, 2013, http://www.ncsl.org/legislatures-elections/elections/voter-id.aspx. American Civil Liberties Union, "Voter Suppression in America," www.aclu.org/voter-suppression-America, accessed April 16, 2013. National Council on Crimes and Delinquency, "Fact Sheet," November 2006, http://www.nccdglobal.org/sites/default /files/publication\_pdf/factsheet-us-incarceration.pdf; *Shelby County v. Holder*, 557 US 193 (2013).

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"power ratio" in the interest of their groups. Business groups, for example, desire deregulation, fight for lower taxes, and want government to take their side against labor in conflict. The mobilized business groups increase their influence by contributing to the political candidates most supportive of their goals (most frequently the Republican Party candidates). If they gain a dominant position, they have little incentive to compromise.

Thus, Schattschneider argued that the notion that pressure politics represents the whole community is a myth. Pressure politics is very selective and represents upper-income interests very well but is not well designed or successful in mobilizing support for the "public interest." He noted that group theory concealed an important shortcoming: "The flaw in the pluralist heaven is that the heavenly chorus sings with a strong upper-class accent."<sup>20</sup>

The scope of the conflict model, along with the group model, reinforces the elite model but focuses on how citizen involvement is related to the size of the conflict in public policy decisionmaking.

#### Wedge Issues

If public policy issues always broke along an economic dimension, the ability of elites and masses to express their preferences would be rather straightforward and would tend to favor the preferred outcome of the more numerous nonelites. This theory might still be true despite the advantages of the elites in regard to higher voter turnout, greater financial resources to sway elections, and greater unity in supporting limited government. However, other policy issues, known as "wedge" issues, break along other dimensions, such as race, ethnicity, religion, and culture. Wedge issues are typically controversial social issues raised to create dissension within the opposing party. In the most successful scenario, the dissension may cause voter defections from the party. In recent years "gods, guns, and gays" have been the most familiar wedge issues around which public policy debates have occurred.

The Republican Party's "southern strategy," beginning during Richard Nixon's administration, offers a classic example of the successful use of a wedge issue to attract voters from the Democratic Party coalition. Franklin D. Roosevelt built the New Deal coalition around unionized workers, farmers, intellectuals, residents of the solidly Democratic South, and religious and ethnic minorities, including Catholics, Jews, and African Americans. That coalition began to slowly unravel after World War II as southern, white Democrats strongly resisted the party's growing support for civil rights. Intraparty strains grew during the 1960s over the Democratic Party's support for the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Vietnam War.

As a presidential candidate, Richard Nixon forged a new Republican coalition by exploiting white voters' fears of African American demands for civil rights. Known as the "southern strategy," Nixon's approach led to the defeat of the New Deal coalition in the 1968 election. Nixon political strategist Kevin Phillips wrote:

From now on, the Republicans are never going to get more than 10 to 20 percent of the Negro vote and they don't need any more than that . . . but Republicans would be shortsighted if they weakened enforcement of the Voting Rights Act. The more Negroes who register as Democrats in the South, the sooner the Negrophobe whites will quit the Democrats and become Republicans. That's where the votes are.<sup>21</sup>

The strategy was successful in realigning southern Democrats to overwhelmingly support the Republican Party. This victory came at the price of losing close to 90 percent of African American voters nationwide, who moved to the Democratic Party. The Republican Party was willing to pay this price, partly because at the time, African American turnout at the polls was much lower than the national average.

As civil rights became more accepted, powerful interests found carefully scripting an appeal to white voters in the South and nationwide necessary to avoid a backlash, by sending a message about racial minorities that would be inaudible at one level but clearly heard at another, referred to in political jargon as "blowing a dog whistle." Political elites often succeed in persuading many poor and middleclass whites to support regressive policies that are a windfall to corporations and the financial elite but actually harm the middle and working class, by inserting issues to divide voters along racial, ethnic, and cultural lines rather than along the economic line of elites versus nonelites. Many white voters, persuaded by financial elites and the conservative politicians who serve those financial elites that minorities are the true enemies, fail to recognize the connection between increase of wealth inequality, the decline of the middle class, and the Republican Party's increasing dependence on white voters. Ian Haney Lopez has produced a sweeping account of terms that politicians use to trigger racial anxiety, such as "food stamp president" "illegal alien," or "welfare queen," while insisting their words have nothing to do with race.<sup>22</sup> Dog-whistle appeals generate middle-class support for political candidates who promise to crack down on crime and illegal aliens.

Lee Atwater, a senior Republican consultant, explained the need to make "big" government the enemy, not big business. According to Atwater, if people think the problem is that taxes are too high, and government interferes too much, "then we [the Republican Party] are doing our job." But if people believe that rich people aren't paying sufficient taxes, the Democrats are going to be in good shape.<sup>23</sup>

The southern strategy, developed in reaction to the Civil Rights Act, was very successful in moving the majority of the white electorate in the South from the

## Case Study The Defense of Marriage Act and the Danger of Wedge Issues

Sometimes a wedge issue may be employed to energize voters in one party as much as to attract voters from the opposing party. The Defense of Marriage Act was one such effort as well as the blowback that such an effort can bring later on.

Bill Clinton was the first presidential candidate to openly solicit support from the gay community in the presidential campaign of 1992. In a campaign event in California he spoke of the moral obligation to fund AIDS research. Clinton won the enthusiastic endorsement of gays and lesbians who made significant financial contributions to his campaign. Shortly after taking office Clinton found united opposition in the Republican Party and significant opposition both within the military and the Democratic Party to his proposal to permit gays to serve openly in the military. The result was that Clinton ultimately accepted the "don't ask, don't tell" compromise that would permit gays and lesbians to serve as long as their sexual orientation remained secret. Gay rights advocates were frustrated with this compromise, which turned out not to be a step forward at all. After all, gays were only seeking an equal opportunity to defend the country. They were making the identical argument that African Americans made after World War II when so many sacrificed for their country despite discrimination. An equal opportunity to promote the general welfare by providing for the national defense seemed beyond challenge.

As the 1996 presidential elections approached, the Republicans devised a strategy to cost Clinton votes and perhaps even the election. Clinton was on record as opposing marriage equality, but Republicans thought that he would veto any legislation that would permit states to refuse to give "full faith and credit" to same-sex marriages even if performed in other states that recognized them as legal. Such a law would present Clinton with two unhappy choices: If he vetoed the bill, he could be portrayed as not defending the institution of marriage, and Republicans would have a major campaign issue and the evangelical wing of the GOP would be energized. However, if he signed it, he would be turning his back on the gay and lesbian community and potentially losing their votes and the votes of those who sympathized with them.

President Clinton had legitimate reasons to veto the bill on constitutional grounds. First, the "full faith and credit" clause of the Constitution cannot be amended by a federal statute. Secondly, the House Judiciary Committee stated that they intended the law to reflect a "moral judgment and to express moral disapproval of homosexuality," which would on its face appear to violate the Fourteenth Amendment's guarantee of "equal protection." But President Clinton was also concerned that since the bill passed both houses of Congress with large majorities, his veto would probably be overridden. In 1996 no state had enacted a law permitting same-sex marriage, so the law would have no practical effect if it passed in any event, but Clinton was also concerned that a veto of the Defense of Marriage Act could doom his reelection hopes. He decided not to take the chance.

President Clinton signed the bill into law without fanfare. He was reelected and became more active in support of gay rights during his second term. Most notably, he signed an executive order banning discrimination based on sexual orientation in the federal workforce. The gay community began pointing out that legalizing gay marriage did not threaten heterosexual marriage. They were only asking for equality under the Fourteenth Amendment.

In the 2004 presidential campaign, gay marriage once again was used as a wedge issue, this time by incumbent George W. Bush against Senator John Kerry (D-MA). Analysts widely concluded that focusing on this issue helped Bush win Ohio, a state critical to his reelection. The Bush campaign placed ads in several moderate- to conservative-leaning states that also were won by Bush.

In 1996 only about 30 percent of voters favored gay marriage. By 2012 over 50 percent favored gay marriage. President Obama declined to defend the Defense of Marriage Act against Supreme Court challenges, claiming that he believed it was unconstitutional. Republicans in the House authorized up to \$3 million of taxpayer money to defend the law since Obama ordered the Department of Justice to no longer defend it. In April 2013 Democrats introduced legislation to repeal the Defense of Marriage Act, while Republicans, sensing the changed climate of opinion, accused Democrats of using the issue as a "distraction." In this respect, Republicans were correct. The tables had turned and now public opinion and legal arguments put Republicans on the wrong side of history. The issue reminded immigrants, women, and minority groups of the Republican Party's unfriendliness to other minority rights issues. The issue was now driving a wedge between different factions of the Republican Party.

The Supreme Court's decision in the summer of 2013 on the Defense of Marriage Act was not at all what the authors of the bill anticipated when it was enacted. The Court struck down part of the act that denied federal benefits to same-sex couples. The decision did not guarantee a right to same-sex marriage, but it allowed people who live in states that allow same-sex marriage to receive the same federal benefits, such as Social Security and joint filing status, as heterosexual couples. Justice Anthony Kennedy's opinion held that the Defense of Marriage Act violated the principles of federalism, which allows states to decide their own course, but he wrote that the case was not decided on grounds of federalism. He said the act must fail because it denied same-sex couples the dignity that the states intended them to have and sets them apart in a way that violates the due process and equal protection principles guaranteed under the Constitution.

*Sources*: Richard Socarides, "Why Bill Clinton Signed the Defense of Marriage Act," *New Yorker*, March 8, 2013, http://newyorker.com/online/blogs/newsdesk/2013/03/why-clinton-signed-the-defense-of -marriage-act.html?printable=true&currentPage=all. Liz Goodwin, "Lawmakers' 'Moral Disapproval' of Gay People in 1996 Could Doom DOMA Law in Supreme Court," Yahoo! News, March 27, 2013, http://news.yahoo.com/blogs/ticket/lawmakers-moral-disapproval-gay-people-1996-could-doom -224933451--politics.html. "Kerry Running More Swing State Ads," FoxNews.com, October 15, 2004, http://www.foxnews.com/story/2004/10/15/kerry-running-more-swing-state-ads/. Democratic to the Republican Party, but changing demographics and attitudes over time have caused a new set of problems within the Republican Party. The Republican Party is now about 89 percent white, while the Democratic Party is about 60 percent white. The white concentration in the Republican Party is caused by a lack of African Americans and Hispanics identifying with the GOP rather than a mono-lithic Republican orientation among whites.<sup>24</sup>

The lesson is that wedge issues must be used by politicians with caution when trying to weaken opponents, as in the long run such an issue may strengthen an opponent. Seeking political advantage in policy debates is to be expected and is as old as politics itself. However, if public policy is only a by-product of a struggle for political advantage by mostly upper-income interests, as most models assume, then the public policy task of "promoting the general welfare" is likely to be poorly done. Political polarization makes the government's task of producing public policies in the public interest much more difficult. The goal of public policy is to bring about meaningful improvements in society where compromise is essential. Washington politics is increasingly involved in a hyperpartisan struggle for power in which wedge issues and brinkmanship make compromise extremely difficult in zero-sum struggles. The result is all too often gridlock, with the public good the loser.

#### **Ethics and Public Policy**

Ethics is about what one ought to do or what one ought not to do. As with the idea of public policy, the study of ethics involves many different definitions and competing ethical frameworks, and no single ethical framework or behavior can be applied to every case. Earlier we defined public policy as being about what governments *choose* to do or not to do. At the normative level, key questions include what governments *ought* to do or not to do. Viewed in this light, ethics is at the core of public policy. That is not to say that public policy is entirely about ethics. Many elements of policy analysis do not have an ethical dimension. Whether or not a country has a policy on consumption taxes, educational subsidies, or nuclear energy is an empirical question that usually has a factual answer. But whether it should have a policy on such matters and, if so, what the policy ought to be are fundamentally ethical questions.

Almost all political and moral philosophers have maintained that the purpose of public policy necessarily involves ethical values. Many have said that public policy should be directed toward building the good society, or at least improving the current society. Others, including the framers of the Constitution, have argued that the aim should be to promote the general welfare or the public interest. Utilitarians, such as Jeremy Bentham and John Stuart Mill, have stressed the need to maximize utility or provide the greatest good for the greatest number. More recently, John Rawls maintained that the goal should be the pursuit of justice.<sup>25</sup> However, many of

these approaches face the problem of agreeing on just what constitutes the "good" or "just" society or what policies best promote the general welfare.<sup>26</sup>

In public policy many ethical problems arise over the relationship between ethical behavior and the distribution of goods, or economics and the market. Some have concluded that the global economic crisis that began in 2008 largely illustrated the triumph of greed over ethical restraints that can occur when the drive for profit is left without significant regulation. Individuals, such as Pope Francis, the current pontiff of the Catholic Church, spoke out against the dangers of what critics term "unfettered capitalism" and called for moral restraint and a more equitable global distribution of wealth and income. In Pope Francis's case, he appeared to be a biblical voice crying in the wilderness. Some would argue that the separation of ethics from economics only gained formal moral and philosophical acceptance after the development of capitalism. In pre-capitalist Europe greed was considered a "deadly" sin. Its spiritual opposite was the virtue of charity. Adam Smith, a professor of moral philosophy and father of modern capitalist theory, hoped that greed would be held in check by market competition. Today the philosophy of Ayn Rand that greed is good and only the weak preach the virtues of charity is widely supported and counts Alan Greenpan (former chairman of the Federal Reserve) and Congressman Paul Ryan (the current Republican Budget leader) as followers. Furthermore, in today's global economy, a point has been reached at which market values have been substituted for moral values.<sup>27</sup>

Later in this text we will develop the issue of distributive justice and the idea that ethical behavior in the current system of mixed capitalism should lead to a more equitable distribution of resources. Economic inequality has reached such extremes that the Obama administration has indicated that policies aimed at not just reducing poverty but narrowing the gap between rich and poor will be a major goal of the rest of his term in office, a goal that rests on the Judeo-Christian principle, enshrined in the Declaration of Independence, that "all men are created equal," which places responsibility on society to make sure that all citizens can meet their basic needs. Considerable empirical research also demonstrates that one common key factor in dysfunctional societies is high levels of economic inequality.

In addressing the issue of inequality, society must also deal with the issue of whether unconditional welfare is compatible with other general principles of social justice. Some complain that otherwise capable people receiving the benefits of the society without contributing to them is not fair. This "free rider" argument against unconditional benefits carries significant weight, although, as discussed later in this text, most recipients of social benefits actually work full-time. We present several cases in later chapters where business and financial leaders become free riders in the market economy as they transfer large sums to themselves through imperfect markets largely unnoticed. Free-riding may well be unjust regardless of who is in a position to take advantage of it.

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#### Conclusion

The United States has long been an unaccountably optimistic nation, but with at least two decades of hyperpartisan politics leading to fiscal cliffs, government shutdowns, a record number of filibusters, and the least productive Congress ever, many believe the two-party system is broken. People have seen the middle class weakened and national confidence falter. Voters are recognizing that the status quo is not working and that the government could do more to solve society's problems and meet people's needs. Polls show the public is hungry for change to get the government back on track.

Public policy is the study of government decisions and actions to deal with matters of public concern. Wise analysis is essential for deciding which policies to adopt and then implementing those policies to move the nation toward the public interest. For this reason, the study of public policy is so important, not only for scholars and politicians but also for individuals themselves, so that an informed, educated public can advocate and hold politicians accountable. A major purpose of this text is to provide students with the basic tools to understand the political economy of public policy. The good news is that the essential economic points are easy to grasp and will clarify many ongoing issues in public policy and economics throughout students' lives.

Several conceptual models are often used for policy analysis. While all are useful in highlighting certain aspects of public policy, we tend to emphasize a combination of the elite model and the scope of the conflict model as most useful.

Finally, one should strive to keep policy and economic analysis as objective as possible. However, one must also be aware that the goal of public policy is to produce a "good and just society." Therefore, normative views should be informed by ethical values and analysis, which will be clearly stated in this text.

#### Notes

1. In the latter half of the twentieth century, a series of crises, including the Cuban Missile Crisis, Watergate, Iran-Contra, government shutdowns, and the impeachment of President Clinton, threatened the stability of the government and its institutions.

2. "Public Policy: Models of Policy-making and Their Critique," Public Administration, August 27, 2012, http://publicadministrationtheone.blogspot.com/2012/08/public -policy-models-of-policy-making\_27.html.

3. Ibid., p. 3.

4. Kevin A. Clarke and David M. Primo, "Modernizing Political Science: A Model-Based Approach," *Perspectives on Politics* 5, no. 4 (December 2007): 741–742.

5. Linda Feldman, "How Jim DeMint Did Obama a Favor," *Christian Science Monitor*, July 21, 2009, http://www.csmonitor.com/USA/Politics/2009/0721/how-jim-demint-did -obama-a-favor.

6. "Notes of the Secret Debates of the Federal Convention of 1787, Taken by the Late Hon Robert Yates, Chief Justice of the State of New York, and One of the Delegates from that State to the Said Convention," June 26, 1787, Yale Law School, Avalon Project, http://avalon.law.yale.edu/18th\_century/yates.asp. Madison's friend, John Jay, another delegate to the Constitutional Convention, was fond of saying, "The people who own the country ought to run it." Adam Smith wrote a more scathing criticism of that sentiment a decade earlier: "Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all" (as quoted in Robert L. Heilbroner, *The Essential Adam Smith* [New York: W. W. Norton, 1986], p. 324).

7. Citizens United v. Federal Election Commission, 558 US 310 (2010).

8. Dana Milbank, "John Roberts, Meet Jacob Marley," *Washington Post*, January 5, 2014, p. A12.

9. Matea Gold, "A Koch-Tied Labyrinth of Political Spending," *Washington Post*, January 6, 2014, p. A1.

10. Jason DeParle, "Harder for Americans to Rise from Economy's Lower Rungs," *New York Times*, January 5, 2012, p. A1.

11. Bernie Sanders, "Labor Day, 2012," September 3, 2012, http://www.sanders.senate .gov/newsroom/recent-business/labor-day-2012.

12. David Lauter, "Would Paul Ryan's Budget Give Mitt Romney Zero Taxes?" *Los Angeles Times*, August 12, 2012, http://articles.latimes.com/2012/aug/12/news/la-pn-would -paul-ryans-budget-give-mitt-romney-zero-taxes-20120812. Newt Gingrich also proposed zero taxes on capital gains during the Republican primaries.

13. See Jan E. Leighley and Jonathan Nagler, *Who Votes Now? Demographics, Issues, Inequality, and Turnout in the United States* (Princeton, NJ: Princeton University Press, 2013).

14. E. E. Schattschneider, *The Semisovereign People* (New York: Holt, Rinehart and Winston, 1960), p. 129.

15. Ibid., p. 141 (emphasis in original).

16. Ibid., p. 2.

17. Ibid., pp. 2-3.

18. American Civil Liberties Union, "Voter Suppression in America," www.aclu.org /voter-suppression-America, accessed April 16, 2013.

19. Schattshneider, The Semisovereign People, p. 33.

20. Ibid., p. 35.

21. James Boyd, "Nixon's Southern Strategy: It's All in the Charts," *New York Times*, May 17, 1970, p. 215. ProQuest Historical Newspapers, http://www.nytimes.com/packages /html/books/Phillips-southern.pdf.

22. Ian Haney Lopez, *Dog Whistle Politics* (New York: Oxford University Press, 2014). Haney Lopez pointed out that the racial appeals are more subtle than old-fashioned malevolent racism.

23. Quoted in Kevin Phillips, *The Politics of Rich and Poor: Wealth and the American Electorate in the Reagan Aftermath* (New York: Random House, 1990), p. 32.

24. Frank Newport, "Democrats Racially Diverse; Republicans Mostly White," Gallup Poll, February 8, 2013, http://www.gallup.com/poll/160373/democrats-racially-diverse -republicans-mostly-white.aspx.

25. John Rawls, *A Theory of Justice* (Cambridge, MA: Belknap, 1971). The idea of the "public interest" or the "general welfare" reaches back to the classical Greek political philosophers. Among more modern political philosophers, John Stuart Mill and, in particular, John Rawls have written extensively on the subject of the public interest regarding public policy.

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26. See in this regard Jonathan Boston, Andrew Dradstock, and David Eng, eds., "Public Policy: Why Ethics Matters," chap. 1, Australian National University, http://press.anu.edu.au//apps/bookworm/view/Public+Policy:+Why+ethics+matters/5251/ch01\_intro.xhtml, accessed March 23, 2014.

27. Jim Wallis, *Rediscovering Values: On Wall Street, Main Street, and Your Street* (New York: Howard, 2010), p. 28.