

## **Study Outline**

### **Chapter 15: The Policy-Making Process**

#### I. Setting the agenda

- A. Most important decision affecting policy-making is deciding what belongs on the political agenda
  - 1. Shared beliefs determine what is legitimate
  - 2. Legitimacy affected by
    - a. Shared political values
    - b. Weight of custom and tradition
    - c. Changes in way political elites think about politics
- B. The legitimate scope of government action
  - 1. Always gets larger
    - a. Changes in public's attitudes
    - b. Influence of events
  - 2. May be enlarged without public demand even when conditions improving
  - 3. Groups: a motivating force in adding new issues
    - a. May be organized (corporations) or disorganized (urban minorities)
    - b. May react to sense of relative deprivation--people's feeling that they are worse off than they expected to be
      - Example: Riots of the 1960s
    - c. May produce an expansion of government agenda
      - Example: New commissions and laws
    - d. May change the values and beliefs of others
      - Example: White response to urban riots
  - 4. Institutions a second force adding new issues
    - a. Major institutions: courts, bureaucracy, Senate, national media
    - b. Courts
      - 1. Make decisions that force action by other branches: school desegregation, abortion
      - 2. Change the political agenda
    - c. Bureaucracy
      - 1. Source of political innovation: size and expertise
      - 2. Thinks up problems to solve
      - 3. Forms alliances with senators and their staffs
    - d. Senate
      - 1. More activists than ever
      - 2. Source of presidential candidates with new ideas
    - e. Media
      - 1. Help place issues on political agenda
      - 2. Publicize those issues raised by others, such as safety standards proposed by Senate
  - 5. Evolution of political agenda
    - a. Changes in popular attitudes that result in gradual revision of the agenda
    - b. Critical events, spurring rapid changes in attitudes
    - c. Elite attitudes and government actions, occasioning volatile and interdependent change

#### II. Making a decision

- A. Nature of issue
  - 1. Affects politicking
  - 2. Affects intensity of political conflict
- B. Costs and benefits of proposed policy a way to understand how issue affects political power
  - 1. Cost: any burden, monetary or nonmonetary
  - 2. Benefit: any satisfaction, monetary or nonmonetary
  - 3. Two aspects of costs and benefits important:
    - a. Perception affects politics
    - b. People consider whether it is legitimate for a group to benefit

- 4. Politics a process of settling disputes about who benefits and who ought to benefit
- 5. People prefer programs that provide benefits at low cost.
- 6. Perceived distribution of costs and benefits shapes the kinds of political coalitions that form but not who wins
- III. Majoritarian politics: distributed benefits, distributed costs
  - A. Gives benefits to large numbers
  - B. Distributes costs to large numbers
  - C. Initial debate in ideological or cost terms, for example, military budgets
- IV. Interest group politics: concentrated benefits, concentrated costs
  - A. Gives benefits to relatively small group
  - B. Costs imposed on another small group
  - C. Debate carried on by interest groups (labor unions versus businesses)
- V. Client politics: concentrated benefits, distributed costs
  - A. Relatively small group benefits; group has incentive to organize
  - B. Costs distributed widely
  - C. Most people unaware of costs, sometimes in form of pork barrel projects
- VI. Entrepreneurial politics: distributed benefits, concentrated costs
  - A. Gives benefits to large numbers
  - B. Costs imposed on small group
  - C. Success may depend on people who work on behalf of unorganized majorities
  - D. Legitimacy of client claims is important, for example, the Superfund
  - VII. The case of business regulation
  - E. The question of wealth and power
    - 1. One view: economic power dominates political power
    - 2. Another view: political power a threat to a market economy
    - 3. Text cautious; weighs variables
  - F. Majoritarian politics
    - 1. Antitrust legislation in the 1890s
      - a. Public indignation strong but unfocused
      - b. Legislation vague; no specific enforcement agency
    - 2. Antitrust legislation in the twentieth century strengthened
      - a. Presidents take initiative in encouraging enforcement
      - b. Politicians, business leaders committed to firm antitrust policy
      - c. Federal Trade Commission created in 1914
      - d. Enforcement determined primarily by ideology and personal convictions
  - G. Interest group politics
    - 1. Labor-management conflict
      - a. 1935: labor unions seek government protection for their rights; businesses oppose
        - 1. Unions win
        - 2. Wagner Act creates NLRB
      - b. 1947: Taft-Hartley Act a victory for management
      - c. 1959: Landrum-Griffin Act another victory for management
    - 2. Politics of the conflict
      - a. Highly publicized struggle
      - b. Winners and losers determined by partisan composition of Congress
      - c. Between enactment of laws, conflict continues in NLRB
    - 3. Similar pattern found in Occupational Safety and Health Act of 1970
      - a. Reflects a labor victory
      - b. Agency established
  - H. Client politics
    - 1. Agency capture likely
    - 2. Licensing of attorneys, barbers, and so on
      - a. Prevents fraud, malpractice, and safety hazards
      - b. Also restricts entry into occupation or profession; allows members to charge higher prices
      - c. Little opposition since:
        - 1. People believe regulations protect them
        - 2. Costs are not obvious
    - 3. Regulation of milk industry
      - a. Regulation prevents price competition, keeping price up

- b. Public unaware of inflated prices
    - c. Consumers have little incentive to organize
  - 4. Sugar quotas also benefit sugar producers
  - 5. Attempts to change regulations and cut subsidies and quotas
    - a. 1996 bill replaced crop subsidies with direct cash payments
    - b. Subsidies continued to increase
    - c. 2002 law replaced 1996 law, and new subsidies were authorized
    - d. Subsidies: the result of history and politics
  - 6. Client politics for "special interests" seems to be on decline
    - a. Importance of appearing to be "deserving"
    - b. Regulation can also serve to hurt a client (e.g., FCC and radio broadcasters/telephone companies)
  - I. Entrepreneurial politics; relies on entrepreneurs to galvanize
    - 1. 1906: Pure Food and Drug Act protected consumer
    - 2. 1960s and 1970s: large number of consumer and environmental protection statutes passed (Clear Air Act, Toxic Substance Control Act)
    - 3. Policy entrepreneur usually associated with such measures (Ralph Nader, Edmund Muskie)
      - a. Often assisted by crisis or scandal
      - b. Debate becomes moralistic and extreme
    - 4. Risk of such programs: agency may be "captured" by the regulated industry
    - 5. Newer agencies less vulnerable
      - a. Standards specific, timetables strict
      - b. Usually regulate many different industries; thus do not face unified opposition
      - c. Their existence has strengthened public-interest lobbies
      - d. Allies in the media may attack agencies with probusiness bias
      - e. Public-interest groups can use courts to bring pressure on regulatory agencies
- VII. Perceptions, beliefs, interests, and values
- A. Problem of definition
    - 1. Costs and benefits not completely defined in money terms
    - 2. Cost or benefit a matter of perception
    - 3. Political conflict largely a struggle to make one set of beliefs about costs and benefits prevail over another
  - B. Types of arguments used
    - 1. "Here-and-now" argument
    - 2. Cost argument
  - C. Role of values
    - 1. Values: our conceptions of what is good for our community or our country
    - 2. Emphasis on self-interest
    - 3. Ideas as decisive forces
  - D. Deregulation
    - 1. Example: airline fares, long-distance telephone rates, trucking
    - 2. A challenge to "iron triangles" and client politics
    - 3. Explanation: the power of ideas
      - a. Idea: government regulation was bad
      - b. Started with academic economists
      - c. They were powerless but convinced politicians
      - d. Politicians acted for different reasons
        - 1. Had support of regulatory agencies and consumers
        - 2. Industries being deregulated were unpopular
    - 4. Reducing subsidies; for example, the tobacco industry
      - a. Supported by members of Congress from tobacco-growing states
      - b. Allowed growers to borrow against unsold tobacco and not pay back the loan
      - c. Public went along until smoking became issue
      - d. New system: growers pay subsidies
      - e. Widely held beliefs (against smoking) defeated narrow interests (subsidies)
    - 5. Presidents since Ford have sought to review government regulation
    - 6. Many groups oppose deregulation

- a. Dispute focuses mostly on *how* deregulation occurs
  - b. "Process regulation" can be good or bad
- 7. The limit of ideas
  - a. Some clients are just too powerful, for example, dairy farmers, agricultural supports
  - b. But trend is toward weaker client politics