

CHAPTER 17

The Policy-Making Process

REVIEWING THE CHAPTER

CHAPTER FOCUS

In this chapter we move from the study of political and governmental institutions (president, Congress, courts, etc.) to the study of the policies that all those institutions have produced. The purpose of this chapter is to provide you with a set of categories (majoritarian, interest group, client, and entrepreneurial politics) to help you better understand politics in general and the remainder of the book in particular. After reading and reviewing the material in this chapter, you should be able to do each of the following:

1. Explain how certain issues at certain times get placed on the public agenda for action.
2. Identify the terms *costs*, *benefits*, and *perceived* as used in this chapter.
3. Use these terms to define the four types of politics presented in the text—majoritarian, interest group, client, and entrepreneurial—giving examples of each.
4. Review the history of business regulation in this country, using it to exemplify these four types of politics.
5. Discuss the roles played in the process of public policy formation by people's perceptions, beliefs, interests, and values.

STUDY OUTLINE

- 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) Once a slow moving, status quo club
 - (2) Influx of liberal activist Senators in the 1960s
 - (3) Now—contrary to the intent of the Framers—a major source of change
 - e) Media
 - (1) Help place issues on political agenda
 - (2) Publicize those issues raised by others, such as safety standards proposed by Senate
 - 5. Action by the states
 - a) Sometimes laws are pioneered in states
 - b) State attorneys general can file suits against businesses that result in settlements binding throughout the country
 - 6. 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
 - A. 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
 - B. 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
 - C. 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
 - D. 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)
- E. Entrepreneurial politics; relies on entrepreneurs to galvanize
 1. 1906: Pure Food and Drug Act protected consumers
 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 pro-business bias
 - e) Public-interest groups can use courts to bring pressure on regulatory agencies
- VIII. 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