

Chapter VII

There is No Simple Recipe for Creating Effective and Worthwhile Public Policy, But There Are Ways We Can Improve

It would, of course, be naive to think that a recipe, simple or otherwise, exists for creating effective and worthwhile public policy. One reason is the presence of self-interested groups and the shared attitudes they represent. Interest groups operate according to narrowly defined charters. Their leaders care about their members' concerns and nothing else or at least nothing established by their responsibilities to their members. Sometimes, interest group leaders care only about their own personal concerns, but the result is similar: the public interest is of little account. Furthermore, interest group leaders typically care only about their own or their members' *near term* concerns. They are not rewarded for taking a long or broad view. Nevertheless, interest groups on all sides of a policy debate maintain that their positions are in the public interest.

This is neither a study nor a critique of interest groups, but examples of their destructive behavior arise in many of our summaries of policy initiatives. They appear in descriptions of public policy for schools, elements of civil rights, agribusiness subsidies, urban renewal, antitrust, the regulation of transportation, international trade, and many more. However, the impact of interest groups is not entirely negative; they often are active participants in debates over policy initiatives. The intellectual content of the major initiatives covered in this study usually originates with ideologues, but much of the influence and funding required to push for or against initiative passage in Congress, judicial decisions, or executive orders is provided by interest groups. In any event, whatever impact interest groups have on policy-formulation, they are an integral part of that process and every other element of politics and government.

Ideologies also play a central role in policy-formulation. In the

United States liberalism and conservatism are the dominant ideologies. Both have changed substantially since they began, but in the United States contemporary liberalism is very similar to two versions that were part of the New Deal—statist liberalism and what might be termed pluralist liberalism that became Harry Truman’s Fair Deal. Conservatism is made up of social conservatism (a.k.a. the religious right), classical liberalism, and what is sometimes called Chamber of Commerce or establishment conservatism. William F. Buckley, Jr. fostered an uneasy truce among these three previously fragmented and disorganized elements of conservatism in the 1950s with his founding and operation of *National Review*. They never merged nor could they given their incompatible intellectual content, but they represent a relatively solid alliance against the left in government and elections.

Liberalism and conservatism bring distinctive values and perspectives to policy-formulation. In some areas of government those values and perspectives result in stark and seemingly permanent differences, but in others there are high levels of agreement.

Any attempt to think about formulating constructive public policy must contend with the presence both of interest groups and ideology. What might a recipe for an effective and worthwhile initiative look like? We begin with a large and important category of such initiatives: those prohibiting or allowing given behaviors.

Prohibiting or Allowing Given Behaviors

If all that is required of an initiative is that it prohibit or allow given behaviors, simple court rulings, laws, or executive orders are more effective than complicated organizational structures. Other things being equal, simple is best because its results are relatively easy to predict: moral/value and policy theories tend to be straightforward. People tend to do less of a prohibited behavior especially when penalties are attached or more of a newly allowed behavior if people so desire. Prohibition (alcohol or drugs), which forbids use or sale of a substance, is perhaps the best known of this kind of initiative, but it is probably not an example of an effective set of initiatives. Nevertheless, this study covers many examples of ones that have achieved sponsors’

objectives (e.g., banning prayer in public schools, banning religious iconography on government property; ending various forms of discrimination; and legalizing abortion). Liberals make heavier use of such initiatives than conservatives partly because those on the left have a tendency to propose more government action in general. Conservatives appear to agree that simple initiatives that prohibit or allow given behaviors are effective as evidenced by their criticism of some they regard as destructive (e.g., banning prayer in public schools) and their adoption of others such as civil rights.

What appear at first to be simple initiatives can become complicated at the implementation stage. Liberal support of gun control is an example. The problem and answer seem elementary: people are killing people with guns, so the killing can be reduced by banning guns. The complications are well known beginning with the widespread ownership in the U.S. of millions of firearms and the fact that properly maintained guns can last for decades. In this case liberals appear to be approaching the problem by joining conservatives in penalizing those who use firearms in the commission of a crime, and by using computer data bases to ban the purchase of guns by those with felony records or histories of particular kinds of mental illness. But even where there is considerable ideological agreement, complications abound. With some exceptions, the mentally ill are protected by privacy laws and private sales of firearms remain invisible to law enforcement authorities.

More Complicated Endeavors

When what is wanted from an initiative is more demanding than prohibiting or allowing specific behaviors, and a rule based distribution of scarce resources is required and/or the regulation of behavior on a day-to-day basis in a relatively unchanging environment is needed, federal bureaucracies or federal government/state government bureaucracies work reasonably well. Social Security is an example.

However, many federal programs cannot be characterized as routine and performed in stable conditions. For example, the Food and Drug Administration, the Department of Agriculture, and in recent years even the once static U.S. Postal Service operate in rapidly changing

environments. Some scholars have observed that hierarchical bureaucracies do a poor job of evaluating feedback from their environments because incoming information is often distorted as it travels through organizational layers especially when some of those layers are biased against the new information. Even when changes in circumstances are correctly evaluated, these organizations' adaptability to new situations is often described as poor (Pierre & Peters 2005).

Tom Burns and G. M. Stalker (1961) among others noticed the inability of hierarchical bureaucracies to handle novel problems or handle them well, and they offered what they called an organic model organization characterized by communication flowing in all directions with the content of that communication consisting of consultation more than command and control. We would expect that an organic government agency would be relatively well suited to responding to changing circumstances. However, Burns and Stalker caution that, while organic organizations do not operate in a vertical chain of command mode, they are nevertheless stratified. Organic government agencies can presumably generate more original responses to changing circumstances than hierarchical bureaucracies, but they are constrained by their enabling legislation and related statutes and executive orders. Worst of all, organic government agencies are rare to the point of nonexistence; when governments develop large organizations there is a strong tendency to give them a hierarchical, chain of command structure.

Subgovernments

Any discussion of bureaucracies and their implementation of initiatives must include the policy-specific structure called a subgovernment that includes the bureaucracy along with the elected chief executive, the legislature or more commonly legislative committees or subcommittees, and interest groups served by the bureaucracy (Temples 1980, 239). Some scholars describe this structure as an Advocacy Coalition Framework, but the terminology that accompanies this perspective adds little to an understanding of policy-formulation and implementation.

It is not clear whether subgovernments add or detract from the problems associated with bureaucracy. The case can be made that in many instances they reinforce a bureaucracy's strength by serving as its eyes and ears and providing campaign contributions to political supporters. They can do so for good or ill.

The superiority of complex adaptive systems/markets in some circumstances

The use of complex adaptive systems (CAS) is another approach to program implementation. A CAS consists of semi-independent agents that act to improve their situations and influence each other's behavior. In Chapter IV we used the example of regular public schools, charter schools, private schools, and parents of students in a school district, all of which can be considered agents in an educational CAS. Of course, since the best example of a CAS is a market economy, a large part of sound economic policy consists of giving CASs the freedom to function within, for example, a regulatory structure such as the Food and Drug Administration for pharmaceutical companies or the Securities and Exchange Commission for financial institutions. And, as another example, if maximum economic production is the objective, international trade is best managed by the world market rather than governments attempting to skew the results according to geopolitical or social agendas. Similarly, energy resources are better developed and distributed by the market than by government. An exception is the funding of basic research that might lead to improvements in energy sources or uses.

By definition basic research is a goalless search for truth, and the private sector tends to under-fund such an enterprise because the knowledge that it develops is a public good. Only government can fund public goods at levels that society as a whole regards as adequate. Once basic research knowledge has been discovered (in the field of energy or any other), its development for applications should be turned over to the private sector (perhaps in an auction) where its value is judged by its ability to survive in the marketplace. An energy source that cannot be sold profitably is simply not worth developing. The most important

lesson that emerged from the failures of subsidized solar equipment manufacturers and the continuing financial difficulties of the ones that remain is that the federal government does not know how to perform or finance developmental and engineering research in a cost-effective manner. One exception might be development projects for which the government is the only customer. An example is military weaponry where commercial viability is of little importance and ability to meet objectives specified by the armed services is critical.

Energy

Nixon-Ford-Carter era oil price controls and rationing is one example of government authority over an aspect of energy, and the awkwardness and sometimes grotesque silliness of those programs, revealed in many news accounts and editorials in our two liberal barometer newspapers (who initially favored these initiatives), suggest that government price control and rationing is not something to which the U.S. should return.

Remaining in the field of energy, we saw in an earlier chapter that the requirement that corn-based ethanol be used as a gasoline additive together with associated subsidies quickly earned the enmity of liberals and conservatives even though a few liberal environmentalists favored these policies when they were introduced. When all things are considered (from growing the corn to distilling the final product), this initiative is costly to everyone but corn and ethanol producers and does more harm than good to the environment. The market would not have allowed the production of corn-based ethanol for fuel because it is not profitable which means that it literally is not worth doing.

Agriculture and transportation

We saw in earlier chapters that a liberal and conservative consensus holds that agribusiness is better managed through markets operating without interference than by federal subsidies and controls emanating from the Department of Agriculture. The same applies to once heavily regulated railroads, airlines, and trucks, although liberals still tend to favor subsidized public transportation systems such as subways and buses.

Antitrust

The most prominent antitrust cases extending back to the 1920s also bear witness to the general superiority of the marketplace over government management in the form of antitrust. In case after case, there was either no monopoly when the cases were filed or the market and technological change transformed the cases into almost unrecognizable new forms between the time they were filed and when they concluded. With few exceptions, whatever value antitrust has is only as a threat to dissuade companies from forming monopolies.

Fannie Mae and Freddie Mac

Prior to Fannie Mae and Freddie Mac and private financial institutions being required to generate mortgages for low and moderate income families (and becoming willing accomplices), the market provided financing for the purchase of homes by those who could afford them, i.e., those who would probably repay the loans. In their modern forms Fannie and Freddie were almost entirely creations of liberal Democrats and self-interested home builders, real estate developers, and lending institutions. In one sense, this initiative does not fit our modified market failure model. There is no evidence of market misbehavior that even appeared to require a government response—nothing, for example, along the lines of the oil price increases that were part of the Arab oil crisis. In the field of housing market misbehavior emerged from the imaginations of liberals who believed that settled banking practices were unfairly denying home ownership to some in the lower middle class, reflecting a basic misunderstanding of the role of risk analysis in financial decision making.

The 2007-2008 economic collapse and the subsequent slow recovery probably would not have occurred had it not been for Fannie and Freddie and the policies dictated by liberal Democrats in Congress and the White House. Although the diminished mortgage standards were supposed to help the lower middle class, they were disproportionately hurt by the collapse. Liberals represented by the *Times* and *Post* quickly joined conservatives in opposing Fannie and Freddie.

There was no market-based problem that Fannie and Freddie were

correcting. There was never a reason for them to exist. The addition of these two large federal bureaucracies did nothing to improve and did much to damage the operation of the complex adaptive system that is the market economy. The fact that Fannie and Freddie have not been eliminated or are not in the process of being eliminated is cause for concern.

Incentives or disincentives

Taxes meant to discourage behavior such as the purchase of a low mileage luxury car or a large boat can be effective as well as relatively efficient in that they utilize existing government agencies and processes. Similarly, incentives such as Cash for Clunkers can encourage a desired behavior. However, as we saw in Chapter IV, both incentives and disincentives when badly designed can give rise to wasteful side effects, and designing them well is apparently more difficult than it looks.

The liberal tendency toward bureaucracy

Liberals do not always choose bureaucratic solutions to policy problems; indeed, a simple count of initiatives shows that liberals are more inclined to use other approaches. But they are far more likely to rely on bureaucracies than conservatives. Keeping in mind that some initiatives cannot be implemented without large chain of command organizations, the list of liberal initiatives that utilized bureaucracies is long and includes: pollution control; protecting workplace safety; consumer protection; regular public schools; No Child Left Behind; urban renewal; agribusiness subsidies; regulation of transportation; Superfund; support for increased regular school funding (bureaucracy at the local and state level); welfare spending; energy price controls and rationing; antitrust; Brownfields; low interest mortgages (Fannie and Freddie); nontraditional energy sources; government-provided health insurance; reduction of global warming; expanding freedom of information; and workfare. This totals 21 (over 40 percent) of the 52 initiatives in our list. Of these, conservatives initially favored only Brownfields, expanding freedom of information, and workfare. Conservatives came to support elements of: pollution control;

protecting workplace safety; consumer protection; No Child Left Behind; and government-provided health insurance all of which also require bureaucracies.

For some initiatives only Weberian bureaucracy will work

Are there better choices for organizational structure than hierarchical bureaucracies? For complicated initiatives such as pollution control, workplace safety, consumer protection, and workfare only bureaucracies can function. The application of continuing government authority is the only imaginable way that inherently large programs can be organized.

Instances where there were better choices than Weberian bureaucracy

There were better choices (including doing nothing in some cases) for at least 12 of the 21 initiatives where bureaucracy was used: affirmative action; No Child Left Behind; urban renewal; agribusiness subsidies; the regulation of transportation; regular public schools as monopolies; traditional welfare spending such as AFDC; energy price controls and rationing; low interest mortgages; most nontraditional energy sources; many aspects of government-provided health insurance; and the reduction of global warming.

With all 12, the weaknesses of initiatives that utilize bureaucracies are not so much the hierarchical structure of the agencies and associated subgovernments that implement them as it is the thoughtless policy theories undergirding the initiatives. For example, conservatives and most liberals agree that as designed, Superfund virtually guaranteed clean-up inaction regardless of the structure of the agency running it. Superfund's more thoughtfully structured partial substitute, Brownfields, also must be operated by a bureaucracy because only a large chain of command organization can deal with the many elements that constitute the program. In the cases of urban renewal, agribusiness subsidies, regulation of transportation, Superfund, regular public school district monopolies, traditional welfare programs such as AFDC, Nixon-Ford Carter era energy price controls and rationing, low interest mortgages (Fannie and Freddie), most nontraditional energy sources, and efforts to reduce global warming, the policy theories on which the

initiatives were based were invalid and in many cases incoherent.

Temporarily setting aside the weak policy theory foundations of many initiatives administered by centralized bureaucracies, the fact remains that liberals display a strong bias toward centralized bureaucracies—ones located in Washington (e.g., Medicare), ones divided between Washington and the states (e.g., the Environmental Protection Agency and state pollution control agencies), or at local and state levels with substantial federal involvement (regular public schools).

Explaining the liberal tendency toward bureaucracy

It is difficult to believe that the strong relationship between invalid liberal policy theories and their implementation by bureaucracies is the result of happenstance. Perhaps the intellectual poverty of these policy theories leads liberals to favor bureaucratic organizational structures as the only systems that can make the weak policy theories work or appear to work. Interest group preferences are probably also in play especially the increasing strength of government employee unions.

We are, of course, not the first to notice the liberal preference for bureaucracy (together with the liberal inclination toward expanded federal power, often part of initiatives). Some trace this tendency to progressive politicians and intellectuals of a century ago. E. J. Dionne, Jr. (1998) observes that many progressives held local institutions in contempt, putting their faith in centralization and technical expertise. Similarly, Robert Wiebe (1995) describes progressives as impatient with unresponsive state and local governments; progressives wanted to achieve their objectives quickly using what appeared to be the most controlling tool at hand. Chester E. Finn, Jr. (1995, 34) and Michael McGerr (1989) place part of the blame on progressive intellectual Herbert Croly who believed in centralized federal power together with strong government and tough leaders, making him not entirely friendly to democracy. We saw in an early chapter that progressive British theorists T. H. Green and L. Hobhouse formulated justifications for a larger more active government based on the idea that government enhances freedom by leveling the bargaining position of

workers vis-a-vis corporations (Kloppenber 1986, 299). J. A. Hobson, another English progressive, asserted that private and public sectors should not be thought of as separate because wealth building could not occur without societal assistance. So it was fair to regard a portion of economic output as a communal resource with which to support welfare programs. The blurring of private and public sectors opens the way to an increase in governmental power. Conservatives argue that expanded government power tends to reduce individual freedom.

The New Deal combined the ideas of theorists such as Hobson and Croly, the nation's World War I experiences with an expanded and apparently effective national government, and German social welfare programs as President Franklin D. Roosevelt and his liberal aides struggled to reverse the Great Depression. In many respects, the New Deal with its creation of welfare programs, expansion of economic regulatory activities, public works programs, and farm subsidies, marked the beginning of politics and government in the U.S. as it would be experienced for the rest of the 20th Century and into the 21st.

Richard J. Piper (1997, 43-44) describes liberals in the 1930s as desiring a stronger federal government vis-a-vis states and localities and within that stronger federal government the development of an: "administrative-state bureaucracy, possessing the characteristics of professionalism and hierarchy that German sociologist Max Weber had described as essential features of modern bureaucracy..." Luther Gulick, a Columbia University professor and an exponent of so-called scientific management, was an especially influential advocate of a more powerful federal government. He is described by Piper (1997, 47-48) as advocating "both a Weberian administrative state...headed by a presidency with enhanced powers, and a highly centralized federalism, with strong national power, perhaps modified by 'some regional authority, to be set up by the national government,' rather than by state sovereignty." Gulick, quoted in the *New York Times* (6/28/33, 11), asserted that the federal government should take control of: "banking, insurance, credit, transportation and communications, social insurance, the creation of corporations, the regulation of utilities, the major highways, automobile licensing, all control of labor, prices, production

and profits, and finally taxation, with the exception of real estate.” Many New Deal thinkers shared this perspective if not all of its features.

Roosevelt’s National Recovery Administration (NRA) would have resulted in a massive increase in federal power along these lines had the U.S. Supreme Court allowed it to survive. The policy theories underlying the NRA were inconsistent and thoughtless. One liberal policy theory justifying the NRA saw the Depression as caused by destructive competition among businesses. The theory of destructive competition also appears in antitrust policies and the regulation of transportation. The other liberal theory used to defend the NRA, antithetical to the first, was that businesses, far from tearing each other apart in a competitive jungle, conspired to impose unfairly high prices resulting in diminished purchasing power and therefore unnecessarily low production levels. Advocates of both theories agreed that destructive competition or corporate conspiracy could be reduced by governmental regulation of major sectors of the economy. In other words, one solution would be able to resolve two contrary problems. Reflecting the vacuous quality of the thinking behind its creation, the NRA issued codes setting complex, arbitrary, and ineffective rules of fair behavior for some 90 industry groups. In 1935 the agency was declared unconstitutional by the Supreme Court (*Schechter Poultry Corporation v. United States*). The NRA represented statist liberalism that called for centralized bureaucratic control of major segments of the economy. As we saw in an earlier chapter, statist liberalism suffered damage with comparisons of dictatorships in Europe, the many failures of centralized planning as part of economic management during WWII, and the private sector’s vigorous post-War growth. Although the U.S. political system rejected liberal statism in its most extreme forms, it accepted the creation and expansion of federal bureaucracies in support of many liberal initiatives.

The Conservative Tendency to Do Nothing

Some would assert that the title of this section is self-explanatory. It is the nature of conservatives, they would argue, to be static or to oppose reform even in the face of a clear need for change.

Domestic public policy not concerning business and economics

Conservatives value order more highly than freedom which in turn they value more highly than equality. These rankings often translate into opposition to change. By far, order is the conservative value that most often prevents conservative action or motivates conservatives to oppose liberal initiatives. For conservatives order means either the opposite of crime and rioting or it refers to tradition with conservatives defending practices such as school prayer because they are part of the culture and have been performed for many years. Order in either sense motivated conservatives to oppose changes in criminal rights, discrimination of all kinds, gun control, school prayer and religious iconography on government property, freedom of unprotected speech, privacy rights, abortion, deinstitutionalization of the mentally ill, and urban renewal. Using criminal rights as an example, liberals, emphasizing equality and freedom, favored expanding the rights of those accused of crimes. Conservatives feared that rights associated with *Miranda* and related decisions would reduce police effectiveness and increase crime.

The conservative approach to gun control mixes the values of order and freedom. Conservatives understand that guns in the hands of criminals or the mentally unstable are a major source of disorder, so they favor such approaches as computerized data bases to prevent dealers from selling weapons to such individuals. In this respect, the conservative desire to protect order results in action. But their belief that guns in the hands of the law abiding enhances order leads to their opposition to the broad gun control laws sponsored by liberals.

With regard to freedom of unprotected speech, most conservatives accepted constraints on media with sexual content as nothing more than traditional good taste rather than the censorship that liberals saw. As the debate developed, conservatives found that they could not defend the imposition of government authority that censorship required, and they surrendered at the level of national government. Conservatives were especially uneasy with the tension between traditional order and individual freedom that censorship implied. Lacking objective standards by which to distinguish pornography from what they

regarded as legitimate content, they resolved the dissonance in favor of freedom.

Conservatives do not always defend the status quo. They were or are advocates of change in the following policy areas: ending affirmative action; expanding the use of charter schools and education vouchers; promoting workfare; privatizing Social Security; and expanding freedom of information. Affirmative action violates equality before the law; school choice in the form of charter schools and vouchers is meant to rescue children (especially poor children) from ineffective regular public schools; workfare was intended to reduce welfare rolls; privatizing Social Security was meant to excise the program's Ponzi core; and expanding freedom of information reduced government agency monopolies on public information. School choice and workfare primarily targeted ineffective programs that were hurting students, welfare recipients, and the public interest. Despite occasional conservative initiatives, the fact remains that the conservative emphasis on order inclines them toward inaction in areas of public policy not concerned with business and economics.

Domestic public policy concerning business and economics

Conservatives are also inclined to do nothing in areas of public policy concerning business and economics because they tend to rely on the market. When market misbehavior and breakdown occur, conservatives oppose change, believing that the market will resolve whatever problems arise and do so more effectively than government. The conservative position turns out to be correct in the first instance and incorrect in the second. In the first instance liberals tend to retreat and in the second conservatives withdraw. In cases when the market is performing to most people's satisfaction in general neither liberals nor conservatives want change.

When conservatives propose initiatives they often focus on business and economics. Those initiatives tend to rely on the market (a.k.a. complex adaptive systems) implemented by the private sector, not centralized bureaucracies and their associated subgovernments. Such initiatives include: charter schools; education vouchers; health savings

accounts; elimination of business (especially agribusiness) subsidies; elimination of transportation regulation; elimination of the minimum wage; elimination of price controls; elimination of constraints on international trade; elimination of urban renewal; opposition to artificially low mortgage rates; and banking and financial deregulation. It should also be noted that in many of these cases liberals defended the status quo by opposing conservative initiatives.

Tunnel Vision and Debate

Throughout this study we find many examples of ideologues basing positions on ideologically inconsistent and thoughtless moral/value theories and thoughtless policy theories. When these patterns arise, they appear to be products of what we have been calling tunnel vision as ideologues concentrate on a single value and often a distorted version of that single value inconsistent with the history of the ideology. The single value may even be inverted by the implementation of the initiative. Urban renewal is a good example. Liberals concentrated on equality as they denounced the evils of slums, although their descriptions of those neighborhoods suggested that order was an important secondary consideration. As it developed, both equality and order were turned upside down by urban renewal. The poor, in whose name urban renewal was initiated, were ejected from their homes, and those who years later moved into what would become high rise ghettos were subjected to disorder bordering on anarchy. Liberals often blamed what they increasingly regarded as the distortion of urban renewal on corrupt local governments and greedy real estate developers that were integral parts of urban renewal initiatives designed by liberals. The developers in particular were seen as wanting to rid their properties of the poor and minorities. All of this was easily predictable.

Organization theorists suggest that tunnel vision often produces flawed decisions. Irving Janis (1982) presents an especially clear explanation of this pattern. He calls a closely related phenomenon groupthink, a term that has come into widespread but imprecise useage. Studying instances of bad defense and foreign policy decisions such as the Bay of Pigs and the lack of U.S. preparedness for a Japanese attack on

Pearl Harbor, he identifies a syndrome common to decision-making elites characterized by closed mindedness reinforced by pressures toward uniformity (pp. 174-175). In particular, the decision-makers discount information that contradicts their flawed assumptions and requires conformity of members who express doubts about the group's direction. From this tunnel vision (our term, not Janis') arises the following recipe for mistakes followed sometimes by disaster (p. 175):

1. Incomplete survey of alternatives;
2. Incomplete survey of objectives;
3. Failure to examine risks of preferred choice;
4. Failure to reappraise initially rejected alternatives;
5. Poor information search;
6. Selective bias in processing information at hand;
7. Failure to work out contingency plans; and
8. A tendency to portray opponents using denigrating stereotypes.

The last point is especially important. Contemporary public opinion polling, congressional roll call studies, and ADA ratings show a high level of ideological polarization in the U.S. political system (Abramowitz 2010). For example, ADA scores picture senators and representatives bunched on the left and right ends of the ideological spectrum with few in the center. Increasing polarization is often accompanied by issue debates in which those on the other side are characterized as greedy, power hungry, manipulative, stupid, and evil. Such attitudes reflect and reinforce tunnel vision.

The JBG model and our market misbehavior/breakdown model suggest that tunnel vision can lead to poorly formulated initiatives. The JBG model specifies that liberals regard equality as more important than freedom which in turn is more important than order. The model does not indicate that liberals ignore freedom and order nor do liberal theorists suggest that order and freedom are unimportant. Similarly, conservatives, who rank order above the other two values, should not ignore freedom and equality. Our market misbehavior/breakdown model specifies that liberals regard the free market as the foundation of economic thought, and with some exceptions *Washington Post* and

New York Times editorials support this generalization. However, in practice, liberals often mistake market misbehavior for breakdown and push for expensive and sometimes destructive initiatives that they later abandon. In a mirror image, conservatives interpret market breakdown as temporary or unimportant and for some time oppose useful reforms initiated by liberals.

Janis' recommendations for avoiding groupthink are aimed at small, elite groups and are not directly applicable to national policy formulation, but we can adapt them. He recommends that the leader (such as the president) encourage open and honest debate. This can be done in part by the leader assigning individuals the role of devil's advocate to insure that the group's work undergoes rigorous examination (Janis 1982, 262). In addition, the leader should withhold his or her biases to avoid influencing decision making. Finally, several independent groups should be established to evaluate the policy issue in question (pp. 263-264). Janis describes additional tactics for avoiding groupthink, but these three convey the thrust of his thinking which is consistent with decades of organization theory.

The key to Janis' work from our perspective is that effective and worthwhile decisions are more likely to emerge from a process in which multiple perspectives and differing value rankings are considered and debated. Data that conflict with an initiative's moral/value and policy theories can be an important part of liberal-conservative debates. In practice, those data are gathered and publicized by mixtures of liberals, conservatives, and interest groups. Although we are often critical of interest groups, they fund studies that when pitted against one another and subjected to the criticism of ideologues contribute to open debates.

In fact, during the time period of this study liberals and conservatives often considered multiple values, new information regarding initiative implementation, and contrary policy theories and as a result reversed their positions on many initiatives. Those changes sometimes required years or even decades to develop, and as we have observed several times, ideologues rarely announce that their advocacy

of or opposition to an initiative was a mistake. Reversals can begin when court rulings or laws prove workable (e.g., conservatives with civil rights and voting rights), unworkable (e.g., liberals with wage and price controls, petroleum price controls, urban renewal, and Superfund), or increasingly embarrassing (e.g. liberals with agribusiness subsidies and Fannie/Freddie).

Changed Ideological Positions

It is likely that mixtures of data regarding initiative performance, open debate, and revealing events caused ideological positions to change for the following initiatives:

- **Ending racial discrimination, discrimination against women, discrimination based on sexual preference, age discrimination, and discrimination against the mentally and physically challenged. Protecting voting rights.** Generally, conservatives opposed reforms or were hesitant to support change primarily out of fear that disorder would result. Conservatives paid little attention to the fact that equality before the law and freedom were being trampled by southern state and local governments (regarding segregation and voting discrimination), and they cared little about other forms of discrimination. Conservatives fixated on a narrow and distorted vision of order to the exclusion of other values. After *Brown v. Board*, the Civil Rights Act of 1964, the Voting Rights Act of 1965, and other court rulings and legislation, conservatives recognized that their fears regarding disorder were overblown, that ending discrimination was in the public interest, and that continued opposition would be politically unwise. The hasty liberal adoption of affirmative action probably accelerated the conservative reversal as conservatives adopted the anti-discrimination position that liberals abandoned.
- **Extending freedom of unprotected speech.** Conservatives remain divided regarding this initiative, but the libertarian view has gained the upper hand on the right. A major problem for social conservatives is that they were never able to establish a position that did not require the application of government power in the form

of such institutions as censorship boards nor were they able as a matter of law to distinguish between artistic expression and pornography. Tunnel vision seemed not to be a factor in this area. Throughout the 1950s and 1960s liberals and conservatives vigorously debated these issues.

- **Support for almost automatic increases in regular public school funding.** Liberals have not abandoned the blinkered, almost automatic support for regular public school funding increases to which they adhered in the 1960s and earlier.

Liberals appear fixated on regular public schools as a primary tool for enhancing equality. At the same time, they pay insufficient attention to the disorder permeating many public schools, and they have little interest in the conservative argument that students and their parents should be free to choose among alternative schooling arrangements, and they largely ignore the mounting empirical evidence that charter schools improve the educational experience of inner city minorities. However, the lack of improvement in many public schools after substantial long term funding boosts resulted in increasing liberal criticism of school administrators and teachers unions and a hesitant willingness to experiment with conservative alternatives in extreme circumstances. Conservatives perhaps accelerated liberal change by highlighting the lack of correlation between funding increases and standardized test results and other measures of school quality. Education funding is an example of at least a partial widening in liberal tunnel vision as the result of (according to liberal editorials) data and possibly conservative criticism.

- **Expanded use of charter schools and vouchers for private schools.** When these choice-based initiatives were first proposed by conservatives, liberals rejected them with equality-based criticism. Liberals, maintaining loyalty to regular public schools and associated interest groups, argued that charter schools (which are a form of public school) would skim off the best students from regular public schools, leaving them to contend with students of lower quality. Liberals also maintained that private parochial

schools would violate church-state separation. Conservatives recognized that these points were at least partly valid and adjusted both initiatives accordingly—just as they needed to do in a healthy debate. Liberals, partly in response to conservative accommodations and partly because of continuing failures of some regular public schools, grudgingly accepted charter schools and voucher systems when regular public schools were especially inadequate.

- **No Child Left Behind.** This amalgam was formulated by some liberals and conservatives. Its implementation was spotty, and, as the program erratically developed, various elements were supported and criticized by liberals and conservatives. In 2015 it was displaced by the Every Student Succeeds Act. Few lamented its passing or noticed its replacement.
- **Supporting almost automatic increases in welfare spending.** In the early and middle 1960s liberals regarded conservative criticisms of such programs as Aid to Families with Dependent Children as heartless and self-serving. The liberal position was that these programs helped the poor and that conservative reformers were enemies of the underprivileged. However, added funding was only followed by increased numbers of welfare recipients even when monies were tied to work training programs. Equality was not enhanced, dependency spread, and families disintegrated in large numbers. Although some on the left jettisoned the idea that welfare recipients could ever become self-supporting, liberals whose views were represented by the *Times* and *Post* never fully abandoned this objective which they shared with conservatives. Over many years, liberals came to at least partially accept reforms such as workfare most of which originated with conservatives.
- **Initiating and supporting workfare.** When conservatives first offered the workfare initiative, liberals firmly rejected it as part of the cruel conservative anti-welfare agenda. Ultimately, faced with continuing growth of welfare and evidence often developed by conservatives that at least some on welfare were capable of working, some liberals relented with the Family Support Act of 1988

and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

- **Providing urban renewal.** Partly because of obvious evidence of urban renewal failure and perhaps due to conservative criticism, liberals slowly turned against it. Once again, liberals had fixated on equality (mixed with a bit of order); their prescription was forced removal of the poor from their homes and later relocation into what were in many instances public housing ghettos. Housing vouchers, a program that originated during the New Deal and which is consistent with conservative complex adaptive system/market approaches, appears to be the most workable public housing initiative.
- **Deinstitutionalization of the mentally ill.** Here, civil libertarians, focusing intently on freedom and equality while ignoring order, sponsored a debacle at least in the short run. Like urban renewal, evidence of this ineffective initiative's failure was directly visible to liberals in the nation's largest cities. For years liberals successfully ignored urban renewal problems which were isolated somewhat out of view, but evidence of the failure of deinstitutionalization appeared on the streets *throughout* New York, Washington, and other large cities. Conservative criticisms may have partially caused liberals to turn against this initiative, but liberals appeared to reach that conclusion on their own. Homelessness among the mentally ill and those suffering from drug dependency is a continuing problem, but few, including nearly all conservatives, favor a return to the era before deinstitutionalization. This initiative probably publicized the problems of the formerly institutionalized mentally ill, and conservatives appear to have moved toward liberal positions.
- **Supporting agribusiness subsidies or eliminating them.** At the beginning of the time period of this study liberals supported agribusiness subsidies literally for no good reason. The liberal agribusiness policy theory contained no justification for treating agribusiness in a manner different from any other commercial enterprise beyond sentiments to the effect that farming is a

difficult and sometimes money losing activity. Conservatives correctly saw no market breakdown and in good years not even market misbehavior and opposed agribusiness subsidies. As time passed, it became evident to the *Post* and *Times* editors, by their own accounts, that agricultural subsidies were simply funneling billions of tax dollars into corporate coffers with no benefit to the public while creating wasteful crop surpluses. Liberals came to accept the conservative position, pulled in that direction by an unknowable mixture of scandalous information regarding huge sums received by undeserving millionaire farmers and large corporations together with decades of conservative prodding.

- **Supporting Johnson-Nixon era wage and price controls (a.k.a. incomes policies) and Nixon-Ford-Carter era energy price controls and rationing or eliminating them.** Liberals reluctantly pushed for wage and price controls to counter Johnson and Nixon era inflation, and they advocated energy price controls after the Arab oil boycott. In the first instance there was no evidence of market breakdown, but in the second the apparent strength of OPEC supported the case for controls. Conservatives opposed both sets of controls, and liberals saw and described in their editorials and news stories the controls' failure. Again, what we can observe is liberals processing the same evidence that was convincing conservatives of the wisdom of their original opposition to controls with liberals slowly coming to the same conclusion.
- **Intensifying or defending economic regulation of transportation companies such as railroads, airlines, and trucking or reducing them.** At the beginning of the time period of this study liberals were defending railroad regulation but were turning against the regulation of airlines and trucking companies that liberals and progressive s had promoted decades earlier. (We are not referring to safety regulations which almost no one questions in principle.) Here, not only was there no market breakdown, there was no significant market misbehavior. The only major problem was decades-old politically suspect federal control of matters such as routing and rates. In the early 1960s liberals were defending the regulatory status quo for

railroads out of fear of the disorder that eliminating regulations might cause and because liberals believed that to some degree the regulations served small communities that might be abandoned if regulations disappeared. As late as 1975 the *Post* suggested that railroads were in such poor condition that nationalization would probably be needed. As the *Post* saw it, with railroads performing badly under heavy federal control, more federal control would improve their condition. Near the end of the 1970s liberals began to join the chorus of conservative critics of these kinds of wasteful regulations, and by 1980 liberals had all but joined the conservative transportation deregulation camp.

- **Expanding air and water pollution control.** Pollution is a classic example of market breakdown. For many years conservatives stalled or opposed this initiative, fearing that pollution control would be too costly, but once substantial laws were passed and implemented, their opposition disappeared or shifted to newer and stricter initiatives.
- **Supporting Superfund and Brownfields.** Superfund was one of the post EPA pollution control initiatives that conservatives opposed, in this case for good reason. Its harsh provisions spawned Dickinsonian law suits which often ensnared businesses and other organizations that bore no responsibility for poor but legal and sometimes illegal solid waste disposal. Its damage to urban economies earned it the enmity of many liberals and allied interest groups. It also failed to clean-up significant numbers of toxic waste sites. It was inefficient and ineffective. The more reasonable Brownfields program was initiated by a broad range of interest groups some of which were allied with conservatives and others with liberals.
- **Improving health insurance.** In the 1960s conservatives were opposed to Medicare and Medicaid. Pushed by the success of medicine in extending life spans, rising costs became a form of at least partial market breakdown. Conservatives in the 1960s promoted inadequate half measures that were defeated by liberal

Democratic congressional majorities. Relatively early in the process conservatives accepted the need for some sort of federal health insurance but warned of Medicaid and Medicare cost overruns. At that point conservative market based alternatives to liberal bureaucratic initiatives had not been developed to a point where they were workable. At present, both programs have expanded and insolvency is near. With the introduction of a centralized health insurance system in Massachusetts and passage of a similar system in the form of the Patient Protection and Affordable Care Act (ObamaCare), liberals have firmly placed themselves in favor of what amounts to an expanded bureaucratized universal health care system. As of this writing, there is little recognition by liberals that the model they have embraced is intellectually bankrupt. At the point of the creation of Medicare and Medicaid, through their many expansions, and the passage of ObamaCare liberals have focused almost exclusively on expansion while ignoring mounting costs. Tunnel vision has almost completely dominated liberal policy formulation in this area. Meanwhile, conservatives, having long accepted the need for government-supported health insurance programs, offer complex adaptive system or market based solutions along the lines of health savings accounts.

A field as complicated and rapidly changing as healthcare is inappropriate for Weberian bureaucracies and well suited to the adaptability of market oriented initiatives. However, as of this writing most liberals appear more interested in doubling down on centralized bureaucratic control and Republican moderates are fearful of anything beyond modifications of Medicaid and Medicare .

- **Providing consumer protection.** Conservatives failed to comprehend the full extent of market breakdown represented by myriad products with hidden dangers. After initial protests that producers would not be able to comply with consumer protection legislation and after it was demonstrated that they could, conservatives quietly adopted much of the liberal position.

- **Subsidizing home ownership and providing low interest mortgages—Fannie Mae and Freddie Mac.** Liberals were the ideological supporters of Fannie and Freddie although many interest groups normally allied with conservatives saw business opportunities in the increased liquidity that the programs generated. Liberals turned against Fannie and Freddie as they were operated by their swash buckling, opportunistic administrators, but it is unlikely that liberals (and many business people) will abandon the principle of subsidized home ownership in some form, and Fannie and Freddie survive.

It is disheartening to observe so many instances of tunnel vision as ideologues concentrate on single and sometimes distorted values to the near exclusion of others, implement initiatives using rigid and unresponsive organizational structures, and confuse market misbehavior for breakdown and market breakdown for misbehavior. Still, even though ideologues do not change positions readily, rich combinations of data, debate among ideologues, and revealing events such as the passage and implementation of legislation appear to move them. This is a long list representing substantial change. The fact that ideologues, often accused of senseless rigidity, can respond to new information in whatever form it appears is heartening. Tunnel vision does not always control policy even when it is responsible for initial initiative sponsorship or opposition.

Wide and Rigid Ideological Gaps

Not all of the ideological initiatives that we examined ended with a narrowing of ideological differences. The following appear to constitute wide and rigid liberal-conservative gaps:

- **Banning prayer in public schools and religious iconography on government property.** Most conservatives have abandoned this fight as unwinnable in the near term, but there is no indication that they have modified their policy position and, of course, neither have liberals who won. These are disagreements over basic values, not

examples of tunnel vision. Conservatives are defending traditional order and a version of freedom and liberals are defending different versions of freedom along with equality. Both sides are ideologically consistent, and their moral/value theories and policy theories are thoughtful.

- **Reduction of global warming.** Conservatives continue to oppose initiatives intended to reduce global warming for the reasons discussed in an earlier chapter: historical temperature data are noisy and short; even if empirical data show that global warming is occurring, the case that it is primarily caused by humans has not been made because climate models are highly complex and unstable; the case has not been made that global warming (assuming that it exists) is as destructive as liberals claim nor are its supposed costs balanced against benefits; some of the leading scientist-ideologue advocates of global warming as human caused and destructive have undermined their own case by resorting to data manipulation and other unethical practices; and many of the global warming believers seem all too eager to champion expensive, centralized command-and-control government initiatives. This ideological division hinges partly on disagreements regarding science, but the liberal advocacy of vast increases in centralized governmental power and reductions in the importance of the market economy appear to be just as important.
- **Affirmative action.** The liberal-conservative divide over this initiative shows no sign of narrowing, and law suits and state referenda continue. In several respects this is the oddest initiative represented in this study. To a considerable degree, it is a battle over two visions of equality. While denying that they are doing so, liberals are promoting a variant of equality of outcome. Conservatives are opposing discrimination based on race or sex and advocating equality before the law. Affirmative action has hurt liberalism and civil rights groups and is inconsistent with liberal defenses of equality except for the distorted version of equality of outcome. In addition, liberals have abandoned equality before the law in this field, providing another good example of tunnel vision.

- **Gun control.** This is one of the longest running divisions between liberals and conservatives although it may be narrowing as both sides focus on what can be accomplished in the near term: making gun use during the commission of a crime a felony and utilizing computer data bases and networks to insure that felons and the mentally ill not be permitted to purchase guns. This is a peculiar division in the sense that it pits liberals who are championing the cause of order versus conservatives who are also basing their position on order (tied to a completely different policy theory) but also the standards of freedom and equality.
- **Abortion.** In some states candidates for public office still include abortion in their campaigns, and debates over conditions under which abortions may not occur occupy the attention of a number of state legislatures. An ideological division remains in this field, but it is a division between all liberals and some conservatives on one side and conservatives of the religious right on the other. Nationally, the fight is done except for occasional mentions by Republicans and by Democrats trying to bind all Republicans to an anti-abortion position. Like school prayer and religious iconography on government property, liberal and religious right positions on abortion are not examples of thoughtlessness and tunnel vision. They represent basic value differences.
- **Minimum wage.** Liberals appear satisfied with the appearance but not the reality of promoting equality by favoring periodic increases in the minimum wage. Even though occasional liberal editorials admit that the minimum wage hurts employment at the bottom of the income scale and despite many studies by economists that demonstrate the existence of this effect, liberal attitudes are unchanged. In addition, liberals are treating pay levels at the bottom of the income scale as market breakdown when the market is merely valuing low skill levels as it is meant to do; liberals almost never address the possibility that low wage workers are paid what they are worth. In opposing the existence of the minimum wage, conservatives are doing more to reduce inequality than liberals. Liberal attitudes toward the minimum wage reflect tunnel vision

as they ignore economic theory and the realities of minimum wage implementation.

In debates on the minimum wage liberals and conservatives are aware of each other's arguments, but they think about the issue using different models, and they talk past each other. Liberals apply the JBG model and a mistaken version of market theory and try to rectify inequality with the power of government while conservatives see the market as operating as it should while paying uncharacteristic attention to inequality.

- **Antitrust.** For more than a century liberals have periodically attacked instances of what they regard as market breakdown in the form of monopolies. In most of the major cases throughout this period, there is little evidence of monopoly. In recent years antitrust charges have been leveled at technologically sophisticated companies, and by the time the cases reach a conclusion the companies in question can no longer be regarded as monopolistic (if they ever could) because of technological change and competition. These cases appear to feed a liberal hunger for attacking seemingly dominant businesses however temporary that status may be. Nevertheless, it is possible that the threat of antitrust may constrain would-be monopolists.

Overall, these instances of seemingly permanent liberal-conservative divisions are consistent with the differences suggested by the JBG model and our market misbehavior/breakdown model. Some are examples of tunnel vision and others simple differences in values.

We are making the case for the existence of and virtue of a creative tension between liberalism and conservatism, not the superiority of one or the other. The debates that shape effective and worthwhile initiatives are required because liberalism and conservatism each in its own way exhibit long standing patterns of value distortion and tunnel vision. Liberals tend to display these lapses when they concentrate on equality, their highest ranking value, and conservatives when they emphasize order, their highest ranking value. In areas of public policy

concerning business and economics liberals exhibit a bias toward action (especially using large bureaucracies) that is not needed and conservatives show a bias toward inaction when action is required.

Equality

Equality is defined in various ways especially by liberals. They sometimes use it to mean equality before the law or what Vernon Van Dyke (1995, 85) refers to as equality of opportunity: “what exists in the absence of arbitrary discrimination.” Something close to this is the meaning that conservatives give equality. Liberals also favor equality when they are trying to achieve what might be termed a level playing field. Without using the phrase “level playing field,” Van Dyke describes it: “what exists not only in the absence of arbitrary discrimination but also in the absence of disadvantages or handicaps for which society is responsible.” (p. 85) Liberals also favor a version of equality that encompasses the first two and adds attempts to rectify: “disadvantages or handicaps for which the individual is not responsible, such as birth in a poor family or with a physical handicap.” (p. 85) A fourth version of equality is often called equality of outcome. Van Dyke (p. 86) asserts that liberals are not “economic levelers,” and that for liberals: “Departures from equality are acceptable, given good reasons for them.” Liberals are at their best when they are championing equality before the law and at their most mistake-prone as they slide along Van Dyke’s scale toward equality of outcome.

Equality before the law

Liberals emphasized equality before the law as they pushed for expanding the rights of those accused of crimes, banning prayer in public schools, banning religious iconography on government property, and ending discrimination based on race, sex, sexual preference, and age. In all of these cases those lacking knowledge of their rights in criminal procedures, religious minorities, and racial minorities, women, homosexuals, and the elderly were suffering discrimination that violated any standard of equality. Especially in the 1950s and 1960s conservatives opposed liberal efforts to rectify these cases of inequality and discrimination or at best were slow to recognize their legitimacy.

The 1950s-1970s were some of liberalism's finest years. The moral/value and policy theories they applied were thoughtful, and they utilized simple and effective judicial decisions and legislation.

Other versions of equality

In advocating consumer protection and trust busting, protecting and enhancing health insurance, promoting increased welfare spending, and supporting increases in regular public school funding liberals were attempting to achieve or at least approach equality in power relationships between consumers versus businesses, monopolies versus competitors and consumers, and the poor in need of health care versus health care providers. Students whose parents are unable to afford quality educational opportunities also need to be assisted as they compete in later life against those given top-tier schooling.

Liberal attempts to break up monopolies were largely failures partly because liberal antitrust policy theories were vague and made little attempt to define the market that a monopoly was supposedly dominating. In recent years technological change moved so quickly that often major liberal antitrust cases were moot by the time they reached their conclusions or the cases simply stalled. The best that can be said for antitrust enforcement is that its existence may discourage potential monopolists. Conservatives argue that the market effectively discourages monopolists although many conservatives would agree that at the state level electrical utilities are monopolies that require governmental constraint.

Liberals responded more quickly than conservatives to market breakdown in the form of increasing health care costs in the 1950s and 1960s. However, liberals were only intellectually equipped to create Medicare and Medicaid in the likeness of Social Security, and at that time conservatives had relatively little to offer as a market/complex adaptive system (CAS) alternative. Insulation between provider and patient, increasingly expensive medical procedures, longer life spans, and costly additions pushed Medicare and Medicaid into extremely serious financial trouble where they remain. Conservatives, fearful of political backlashes, have until recently not been willing to push

energetically for market/CAS solutions along the lines of medical savings accounts, and liberals have effectively refused to recognize the seriousness of the financial weakness in these programs. More recently, the Affordable Care Act appears to be responsible for substantial health insurance rate and co-pay increases while health insurance companies abandon the program in great numbers leaving many counties served by monopolies.

A long standing reflexive liberal advocacy of increased welfare spending such as AFDC doubtless provided help to many who needed and deserved it, but during the 1960s and 1970s as benefits were increased, the numbers on welfare grew rapidly. Many recipients who could work were not motivated to do so, and family structures were weakened. The liberal moral/value theory consisted of little more than a desire to help the poor without making distinctions between what conservatives often described as the “deserving poor” versus malingerers. As numbers of welfare recipients continued to grow, many liberals turned against traditional welfare with its pernicious rewards for indolence and shifted toward conservative workfare alternatives. This reversal by some but not all liberals culminated in President Bill Clinton’s welfare reform designed to discourage welfare participation.

Liberals have had a long standing faith in regular public schools to provide a more level playing field, and for many years that trust appeared well founded, but the Soviet Union’s 1957 launch of Sputnik suggested that the U.S. was becoming less competitive at least in science and engineering, and as the years passed student performance on standardized tests demonstrated that the Sputnik warning was valid—many regular public schools were not doing justice to their students. Liberals have continued almost automatically to favor regular school funding increases, but they have become increasingly critical of regular public school performance. At first, liberals fought conservative competition-based alternatives, but in recent years their opposition has softened in circumstances of extraordinarily inadequate schools. Liberals have taken too long to respond to the declining quality of regular public schools, but at least some have come to realize that a more level playing field would be provided not by a public school

monopoly but through competition.

Affirmative action occupies a position at the equality of outcome extreme end of Van Dyke's spectrum. It is the only initiative among all liberal initiatives examined here that overtly violates the standard of equality before the law by sanctioning racial or gender discrimination in the name of equality. Affirmative action moral/value and policy theories are ideologically inconsistent and thoughtless.

The minimum wage is an attempt to partially equalize the bargaining position of those on the lowest end of the wage scale against powerful employers. However, it reduces the attractiveness of low skilled employees; after a minimum wage increase they are more likely to be terminated or not hired. Liberals occasionally admit that the minimum wage backfires, but despite decades of criticism by many economists, liberals (together with their labor union allies) continue to support it. Here again, liberals focus on a narrow and simplistic notion of equality and support a program that enhances inequality.

We have already devoted a great deal of space to urban renewal, but it is a fine example of liberals focusing on a distorted version of equality and supporting an initiative that *as designed* was almost guaranteed to work against equality.

The Earned Income Tax Credit (EITC) was intended to help the working poor and was often described as a replacement for the minimum wage and various welfare programs. The EITC is a variation of the negative income tax, a conservative invention, and it was supported by many conservatives and liberals. Although the programs it was supposed to replace are still operating, it works much as intended. Perhaps its biggest drawback is that it contributes to a phenomenon much commented on by conservatives—that roughly half of the electorate is paying no income tax (although conservatives often arbitrarily exclude payroll and sales taxes from such reckonings). Conservatives see this condition as contributing to the electorate supporting expansions of government, knowing that others will be obliged to pay for them.

Fannie Mae and Freddie Mac were intended to make home ownership more affordable than it would be under market conditions.

These programs occupy a place near the equality of outcome end of the Van Dyke spectrum. No initiative intended to enhance equality has more completely backfired, hurting the poor and almost everyone else.

Equality: conclusions

When liberals fought to achieve equality before the law they improved the lives of millions and made the United States a better place. When conservatives in the name of distorted versions of order and freedom tried to ignore gross conditions of inequality before the law, they delayed justice and hurt themselves for generations. Equality is not as important to conservatives as it is for liberals, but the right should not and cannot ignore it with impunity. However, when liberals moved toward the equality of outcome end of Van Dyke's spectrum, they failed more often than not, and many of those failures were highly destructive. Liberals fixated on distorted versions of equality and ignored implementation—true tunnel vision.

Freedom

Freedom is the second ranked value for both liberals and conservatives. It is important to both, and, perhaps for this reason, it is not as likely to be the object of distortion and tunnel vision as equality is for liberals and order for conservatives. This is consistent with our observation that liberals are often at their worst when championing equality to the exclusion of other values and conservatives at their worst when defending order while ignoring other values. Both sides tend to take a balanced, undistorted view of the middle JBG value.

For liberals freedom played a part in their advocacy of: expanding rights of those accused of crimes; banning prayer in public schools and religious iconography on government property; banning various forms of discrimination and protecting voting rights; extending privacy rights; legalizing abortion; restarting federal aid to stem cell research; deinstitutionalization of the mentally ill, and expanding freedom of information (an initiative that liberals and conservatives shared). With many of these initiatives freedom was a secondary value for liberals behind equality. With only one exception, liberals did not express a

distorted vision of freedom. That exception was deinstitutionalization of the mentally ill, where freedom was the most important value in play. Liberals made no serious attempt to anticipate what would occur when great numbers of the mentally ill were released into a world with which they were ill equipped to deal and which was not ready to deal with them. According to accounts in the *Times* and *Post*, the evidence of the initiative's failure was visible in urban public places almost everywhere. Liberals quickly recognized their mistake even though they defended the premise that too many people had been forcibly institutionalized in horrible circumstances—a position that conservatives did not seriously question. Conservatives attacked this initiative as soon as it was proposed based on its potential to generate disorder, but they made no attempt to return to the status quo ante. The distorted liberal single value/tunnel vision lasted only a short time.

Reducing gun control, expanded use of charter schools and school vouchers, privatizing Social Security, expanding freedom of information, and bank and financial deregulation were the only conservative initiatives on our list that had freedom as a major justification. Many liberals accuse conservatives of extremism on gun control, but they are slowly adopting the conservative pro-competition position in education at least in some circumstances. Liberals and conservatives shared sponsorship of freedom of information and to a great degree bank and financial deregulation.

Order

Order is more highly ranked by conservatives than liberals. The desire to maintain order is the primary justification that conservatives cite in favor of: reducing gun control; basic approaches to reducing crime; charter schools and school vouchers; and workfare. And as we saw above, order also played a large part in conservative cases against many liberal initiatives including: expanding the rights of those accused of crimes; affirmative action; banning prayer in public schools and banning religious iconography on government property; discrimination based on race, sexual preference, and sex; deinstitutionalization of the mentally ill; and various forms of welfare. For liberals order is a major

factor only in their justification of gun control.

Equality, freedom, and order: Multi-value debates enhance policy-formulation

In their advocacy of initiatives and criticism of the other side's initiatives the polity is better off with liberals and conservatives engaged in policy formulation and implementation conflict than it would be with only one side in control. We have seen many cases where distorted versions of single values were pushed to the exclusion of other legitimate values encouraging the formulation of policy theories that ignored obvious potential implementation problems. Virtually all policy initiatives contain implications for equality, freedom, and order, and when two are ignored and implementation is disregarded, mistakes and widespread harm are likely.

Public Policy for Business and Economics

Liberal and conservative initiatives for business and economics can be best understood using a different framework than the JBG model with its emphasis on values, although the two models sometimes bleed into one another. With business and economics, instead of two inverse hierarchies of values, there is a consensus on the utility of the market for organizing and thinking about business and economics. Ideological differences arise when the market generates unhappiness either because of its legitimate operation or because it has broken down.

When the market produces widespread unhappiness in the form of, for example, inflation, pollution, global warming, energy shortages or excessive energy prices, the sale of dangerous or defective products, unnecessary workplace dangers, seeming unfair competition from abroad, poverty, inadequate health care, or monopoly, liberals quickly declare that the market has broken down and rush to propose a government intervention. At the same time, conservatives initially refuse to see breakdown regardless of whether it is present and advocate doing little or nothing.

Liberals are responsible for costly and needless interventions when they mistake market misbehavior for market breakdown, and

conservatives are responsible for delays in addressing problems when they mistake market breakdown for misbehavior and counsel inaction. In addition, liberals are especially likely to favor the use of large, centralized, rule-bound bureaucracies once they decide that intervention is needed even though complex adaptive systems sometimes are superior. However, when liberals prematurely advocate government intervention to resolve market misbehavior, they tend to recognize their mistake and retreat, and when conservatives refuse to go along with needed initiatives to handle market breakdown they stop their resistance when it becomes clear that market breakdown is real. Here too, directly or indirectly, debates between liberals and conservatives benefit the overall quality of policy formulation.

Consensus and Movement Toward at Least Partial Agreement

Ideological polarization has increased in the U.S. in recent years, but there remains substantial liberal-conservative consensus on many important matters as well as movement of liberals toward conservative positions and conservatives toward liberal positions. From their origins in the 1600s and 1700s liberalism and conservatism share a common democratic and free market heritage. They value equality, freedom, and order albeit in different rankings, and they both regard capitalism as the best way to organize an economy even though liberals are quicker to demand government intervention when part of the economy misbehaves and conservatives resist government intervention when parts of the economy breakdown.

Initial consensus or movement toward agreement are beneficial in at least two ways. First, they allow us objectively to evaluate the degree to which many initiatives are worthwhile—assuming as we largely do that liberal-conservative agreement indicates that an initiative is worthwhile. Second, initial consensus and movement toward agreement facilitate the relatively smooth operation of government. Indications of the opposite of smooth operation of government are increasing together with ideological and party polarization. The near breakdown of the congressional budgetary process in recent years is

symptomatic.

With few exceptions, effective and worthwhile initiatives are the products of ideologically consistent liberals or conservatives and their thoughtful moral/value theories and policy theories tested in open debate among liberals, conservatives, interest groups, and office holders. In particular, open debate may counter ideologues' focusing on distorted single values.

Debate is important but insufficient. At least some participants must be self-aware liberals and conservatives looking for and highlighting warning signs that indicate the development of ineffective initiatives that would not be worthwhile even if they were effective.

One red flag signaling the debut of a flawed initiative or pointing to mistaken opposition to a worthwhile initiative is theoretical or historical ideological inconsistency. This is a relatively unusual phenomenon, but it can be destructive when it arises as it did when liberals reversed their long standing position against racial discrimination and replaced it with affirmative action and when conservatives ignored equality, freedom, and order (except in highly distorted forms) and opposed or failed to support the civil rights movement. Liberals were ideologically inconsistent when they favored government action to correct market misbehavior when the market was functioning correctly. In some cases liberals intervened when they merely imagined that market misbehavior might occur as with the regulation of railroads, trucking, and airlines. Similarly, Fannie and Freddie were solutions to imaginary market problems. In both of these cases ideologically inconsistent liberals were abetted by corporate and labor union interest groups.

In all of these cases the other ideological side highlighted the inconsistency, and in several instances ideologues even highlighted their own inconsistency. For example, as conservatives opposed or failed to support the civil rights movement in the 1950s and 1960s they often noted the evils of the racial discrimination that the movement and its liberal supporters were attempting to end. Meanwhile, the *New York Times* warned that affirmative action was reverse discrimination but then

dropped the term when it joined civil rights interest groups in promoting affirmative action. Liberals were also critical of Nixon era wage and price controls even as they advocated their use for want of any better way to attack inflation (as they explained their position).

In these cases ideologues found ways around their own beliefs. They *knew* what must be done, and they quelled self-doubt while ignoring criticism from the other ideological camp and plowing blindly ahead. Perhaps the best thing about ideological inconsistency is that it leaves advocates open to negative feedback. For example, when liberal advocates of wage and price controls saw that the controls were not working, they were relatively quick to end support for the initiative. When conservatives saw that their worst fears regarding the Civil Rights Act and Voting Rights Act were not realized and when liberals foolishly accepted affirmative action, conservatives essentially adopted what had been the liberal anti-discrimination positions. The quickness of both moves suggests that the original positions were weakened by ideological inconsistency. We cannot explain why liberals maintain their support for the anti-liberal and politically and socially destructive affirmative action except that they may be trying to maintain their ties with civil rights interest group allies and associated politicians.

Thoughtful Moral/Value Theories and Policy Theories

Initiatives supported by thoughtful moral/value theories and policy theories appear to be more numerous than those supported by thoughtless theories. This somewhat sanguine observation may in part be a product of the way we categorize initiatives, but however they are sorted out and counted, many important initiatives since 1961 were the products of thoughtful moral/value theories and policy theories.

By our count 18 initiatives were developed thoughtlessly and most of them were ineffective and/or not worthwhile. Our evidence for these judgements can be found in earlier chapters. We have already made the argument that moral/value theory thoughtlessness and policy theory thoughtlessness are most visible as a distorted version of a single value and tunnel vision where everything about an initiative is ignored except for a narrow path to enacting and implementing it.

Furthermore, the sponsors of thoughtlessly developed initiatives tend to favor a bureaucracy to power through the execution of what they may recognize as theoretically weak initiatives.

How can we enact more worthwhile initiatives supported by thoughtful moral/value theories and policy theories and fewer worthless or even destructive initiatives justified by thoughtless theories? A naive response would be that initiative advocates should be more self-aware and able to spot the symptoms we have identified and then compensate for them. The problem with this wistful hope is that, like Irving Janis' groupthink, the very syndrome that we are describing blocks self-awareness. Somewhat less naively, we can rely on opposing ideologues and interest groups to highlight thoughtlessness, single-value distortion, and tunnel vision. Perhaps ideological allies of initiative sponsors not caught up in the frenzy of enactment can undermine the juggernaut and even side with initiative opponents in congressional voting. We hold out little hope of this occurring because considerable numbers of thoughtlessly developed, worthless, and destructive initiatives were in fact enacted. Consider Democrat Wilbur Mills who accurately predicted that Medicare would become financially unsound. Despite his warnings, liberal Democrats were determined to enact Medicare in the image of Social Security, and they ignored Mills, dismissing him as a reactionary southerner. Medicare has benefitted many people, but Mills' correctly analyzed its weak financial structure.

The histories of failed initiatives suggest that in most cases mistakes will only be corrected after the initiative has been put into effect. There are many examples including:

- **Banning federal aid to stem cell research.** A presidential election had to occur before this initiative could be reversed.
- **Almost automatic support for increased regular public school funding.** The key to undermining this pattern of behavior was standardized testing that measured the poor quality of some public schools. For many years conservatives compared test results to

funding levels and found little or no relationship, but liberals refused to recognize conservative findings. Ultimately, liberals, partly irritated by the intractable opposition of teachers unions to school reform and standardized testing, could not deny the obvious fact that more funding often was not yielding improved results.

- **Deinstitutionalization of the mentally ill.** Conservatives were obliged to expend little energy in undermining liberal support for this initiative. The grim evidence was everywhere to be seen especially in urban areas such as New York City and Washington, D.C. Even though all conservatives and most liberals regard this initiative as a mistake *as it was put into effect*, almost no one wants a return to the pre-deinstitutionalization status quo. Solutions are illusive. State and local governments are finding their way incrementally to small partial answers.
- **Superfund.** Superfund appeared to be designed to force the clean-up of toxic waste sites, but it soon became apparent that progress would be very slow. Even so, years of tangled law suits, sometimes entrapping parties who had nothing to do with the disposal of waste, were producing untreated urban wastelands that attracted criminals and contributed nothing to the tax revenues or employment. It appears that this wasteful outcome was required before divided liberals could find their way to a more reasonable approach. Again, hard evidence often experienced directly by liberals or their interest group allies (such as urban civil rights organizations in this case) was probably more important than conservative argumentation, but conservative efforts were at least pushing liberals in the right direction.
- **Urban renewal.** Again, although conservative argumentation probably helped to reveal urban renewal's many flaws, the fact that slums (to use a favorite urban renewal term) were replaced either by expensive ghettos or palaces for the rich became obvious to liberals.
- **Nixon era wage and price controls.** Liberal advocates of wage and price controls held out little hope that their initiative would be effective. They recognized that economic theory and history pointed to little chance for success, but they could think of

nothing else to control inflation. Again, once the controls were operational liberals saw that they did not work, and probably this observation more than conservative arguments (which liberals themselves made) brought an end to the experiment.

- **Almost automatic support for increased welfare spending.** By 1961 liberals were firm believers in the wisdom of welfare in almost all forms including what became Aid to Families with Dependent Children. Throughout the 1960s and 70s liberals favored increased spending and expanding the numbers of recipients. The conservative thesis that substantial portions of welfare spending were rewarding people for not working and thus destroying their character and their families was dismissed by liberals as cruel and financially mean. But as liberals observed a seemingly inexorable expansion of welfare, many of them saw that, while the moral/value theory behind welfare was based on kindness, the policy theory of welfare was an empty shell. Conservatives continued to document the damage done by welfare and proposed initiatives such as workfare and the negative income tax. It seems likely that the conservative initiatives operated as vehicles by which debates could be conducted just as Brownfields did with Superfund. However, many liberals especially liberal politicians appear to be finding political benefit from increasing welfare dependency.
- **Agribusiness subsidies.** Liberals mistook the inherently uneven nature of farming for market breakdown which they combined with a sentimental desire to protect so-called family farmers. All of this was founded on a baseless distinction between farming and other businesses that portrayed farming as unique. Through the 1960s, liberals slowly became aware that agribusiness subsidies were costly, distorted the market, and were increasingly being captured by large business entities that deserved no more aid than any manufacturing, service, or financial enterprise and that were far removed from being family farms. Again, we sense that liberal observation of programs in action was more important than conservative arguments although it probably helped that conservatives continued to report on the waste inherent in these programs.

- **Regulation of transportation.** The moral/value theories behind transportation regulation largely originated with the nation's experience with railroad monopolies, a genuine form of market breakdown. In the 1960s some liberals especially economists were reevaluating their support of the federal regulation of railroads, trucking, and airlines. The wastefulness of these programs was manifest, but liberals who still saw market breakdown where it had not existed for many decades feared that eliminating the regulations would harm particular customers such as those in rural areas. Conservatives had long argued for deregulation, maintaining that, for example, rural customers losing air or rail service would find that trucks would provide what they needed. However, our sense is that the analyses performed by liberal economists had a greater influence among liberals as a whole.
- **Providing low down payment and low interest mortgages—Fannie and Freddie.** Principled liberals (as opposed to many self-seeking liberals in Congress who personally benefitted from Fannie and Freddie) were fairly quick to oppose the practice of providing mortgages to unqualified borrowers at artificially low down payments and interest rates. Before Fannie and Freddie these costs were established by the market and settled banking practices, and there was no market misbehavior much less breakdown. Liberals should have opposed this initiative from the beginning, but their emphasis on equality apparently blinded them for a number of years.

It is not significant that all of the initiatives on this list of failed policies were supported by liberals since liberals sponsored most of the 52 initiatives in this study. Liberals are much more inclined than conservatives to propose initiatives. Liberals appear not to be much influenced by conservative criticism of an initiative or at least not until a number of years into its implementation. When such an initiative is being devised liberals are in the throes of the single value distortion and tunnel vision that leads to the passage of a thoughtless, ineffective, and worthless policy. In some instances, at our 1961 starting point liberals were defending initiatives begun years before, and they still accepted the

distorted single values and thoughtless theories that led to initiative creation. As conservatives, reporters of all kinds, and opposing interest groups developed information regarding program performance, liberals began to observe and consider failure. This empirical process might take a few months (Nixon era wage and price controls which liberals did not expect to work in the first place), a few years (Fannie and Freddie), many years (urban renewal), decades (agribusiness subsidies and transportation regulation), or it might never end (minimum wage).

Liberals behave like empiricists, albeit biased ones, as they review mounting evidence that thoughtlessly developed programs are ineffective and/or not worthwhile. Conservatives display the same attitude as they survey the impact of a liberal initiative that they opposed and which is proving to be effective and worthwhile or at least not as damaging as conservatives originally feared. What might be termed conservative opposition research can alert liberals to potential implementation problems, but our sense is that liberals must find out for themselves that an initiative has failed, partly by attempting to rebut conservative criticism, but more importantly by observing failure.

We have described several clear lines of permanent or semi-permanent division, but overall we are presenting a picture of higher levels of liberal-conservative agreement than many contemporary observers who see wide ideological and party splits leading to congressional paralysis verging on crisis (Caddell & Schoen 2012). There seems little question that ideological and partisan divisions in Congress are wider than they once were. Studies of ADA ratings and other ideological measures show a bimodal distribution with large numbers of House and Senate members located at the two ends of the ideological spectrum, a point to which we return a few paragraphs below. If nearly all congressional Democrats continue to oppose all Republican proposals, our view will require correction, but some Democrats may be tempted to participate in tax revision and civil works decision-making. For example, it seems unlikely that Silicon Valley corporations with large sums abroad will be happy with their senators and representatives doing nothing if a Republican proposal for repatriation seems threatened with defeat, and

many Democratically oriented interest groups will want to participate in lobbying for civil works projects.

Probably one reason that our portrait of liberal-conservative differences suggests less stark division than others' is that we have treated the entire half century of our study as essentially one collection of initiatives with little emphasis on changing trends except in the context of individual initiatives. Nevertheless, a brief examination of movement toward or away from liberal-conservative agreement regarding policy initiatives suggests that cases of movement toward agreement far outnumber the single instance of movement away from agreement and instances of unchanging deep divisions.

It might be objected that these counts are partly influenced by how we divide initiatives by, for example, treating gun control as two initiatives (extending and reducing it). However, the overwhelming number of initiatives showing movement toward agreement suggests that our categories are not affecting our conclusions. Furthermore, most of the initiatives characterized by ideological movement away from agreement and unchanging deep divisions are far from new. Some of them date back to 1961 and earlier. Among initiatives characterized by unchanging deep division only reducing global warming can be described as a recent initiative. Table 7.1 lists the initiatives.

Table 7.1 Ideological Policy Movement

Initiative	Ideological movement
Reduce barriers to international trade	Away from agreement (slight movement)
Basic approaches to reducing crime	Consensus
Enhance immigration control	Mixed
Initiate & support Earned Income Tax Credit	Mixed
Enhance nontraditional energy sources	Mixed
Enact bank & financial deregulation	Mixed

Initiative	Ideological movement
Enact & extend Family & Medical Leave Act	Mixed
Enact & expand health insurance	Mixed
Prevent large business failure—subsidize economic activity	Mixed
Enact & support No Child Left Behind	Mixed
Initiate & support workfare	Toward agreement
Initiate & support urban renewal	Toward agreement
Almost automatic support for increased welfare spending	Toward agreement
Enact & support pollution control	Toward agreement
Protect workplace safety	Toward agreement
Enact & support Brownfields	Toward agreement
Require use of gasohol & corn subsidies	Toward agreement
Enact Cash for Clunkers	Toward agreement
Enact energy price controls & rationing	Toward agreement
Enact Nixon era wage & price controls	Toward agreement
Initiate & support Superfund	Toward agreement
Support agribusiness subsidies	Toward agreement
Support regulation of transportation	Toward agreement
Provide low interest mortgages	Toward agreement
Expand rights of those accused of crimes	Toward agreement
End age discrimination	Toward agreement
End discrimination based on mental & physical characteristics	Toward agreement
End discrimination against women	Toward agreement
End discrimination based on sexual preferences	Toward agreement

Initiative	Ideological movement
End racial discrimination	Toward agreement
Expand freedom of information	Toward agreement
Extend freedom of unprotected speech	Toward agreement
Extend privacy rights (excluding abortion)	Toward agreement
Legalize abortion	Toward agreement
Protect voting rights	Toward agreement
Restart federal aid for stem cell research	Toward agreement
Enact gun control	Toward agreement
Initiate & support charter schools	Toward agreement
Initiate & support school vouchers	Toward agreement
Ban federal aid for stem cell research	Toward agreement
Enact deinstitutionalization of mentally ill	Toward agreement
Increase minimum wage	Unchanging deep division
Reduce global warming	Unchanging deep division
Support antitrust	Unchanging deep division
End affirmative action	Unchanging deep division
Reduce gun control	Unchanging deep division
Ban prayer in public schools	Unchanging deep division
Ban religious iconography on government property	Unchanging deep division
End affirmative action	Unchanging deep division
Almost automatic support for increased regular public school spending	Unchanging deep division

By far, the 33 initiatives characterized by a narrowing of differences between liberals and conservatives outnumbered the nine initiatives that saw unchanging deep divisions. This is not to say that movement toward agreement resulted in consensus although some such as Brownfields, gasohol, Cash for Clunkers, and Nixon era wage

and price controls were close. In addition, the initiative that we call basic approaches to reducing crime saw much more agreement than not except at the extreme left.

We describe the ideological movement in eight initiatives as mixed. We saw, for example, that liberal and some conservative positions regarding immigration control have moved and splintered in many directions. As another example, the Earned Income Tax Credit originated in the thought of a classical liberal economist and has been variously accepted and rejected by both sides.

If our purpose is to document the existence of debate in a dynamic policy environment we could point to 42 initiatives that fit this description. We could add another—reducing barriers to international trade—where there has been slight movement away from agreement amid vigorous debate over many years.

It is the conventional wisdom among most scholars who study parties and ideology that political parties have been exhibiting increasing ideological polarization for several decades (Stonecash, Brewer, & Mack 2003). In the 1960s Democratic Party representatives and senators were mixtures of liberals and conservatives and the same was true of Republicans (Mayhew 1974). Now congressional Democrats are more uniformly liberal and Republicans more uniformly conservative. Many observers see these changes beginning in the late 1960s when the Voting Rights Act of 1965 added liberal African-American voters to southern Democratic ranks and simultaneously pushed conservative southern whites into the Republican Party. According to James C. Garand (2010, 1109): “The resulting intense political divisions are seen as creating and nurturing a level of political incivility and conflict that renders the political process ineffective and interferes with the adoption of solutions to the pressing policy problems facing the United States.” From a policy formulation perspective there may be less of an inclination for party members to create bipartisan coalitions to pass legislation (p. 1109). Many scholars also believe that these changes reflect shifts among voters and especially political activists with self-identified Democrats becoming more liberal

and Republicans more conservative (Abramowitz 2010; Abramowitz & Saunders 2008; Levendusky 2009; Bartels 2000). What appears to be a minority of scholars finds that greater polarization exists in Congress and among other elites, but not much among the general public (Fiorina, Abrams, & Pope 2005, 2008).

Party polarization and ideological polarization (which are different but related phenomena) have probably made compromise in Congress more difficult now than in 1961. It may be harder now to pass major legislation. However, in 2010 a substantial change in federal health insurance (the Patient Protection and Affordable Care Act) and a large economic stimulus package both sponsored by President Obama raced through Congress. The stimulus bill passed with no House Republican votes and only three Senate Republican votes; only seven House Democrats voted against it, and no Senate Democrats voted against it. The Affordable Care Act passed with even greater partisan division (Pildes 2011, 280). However, these bills were thoughtlessly thrown together, and they might have been of higher quality had they gone through the kind of slow bargaining to which legislation was subjected in the 1960s. More recently, the Ryan-Trump American Health Care Act would probably have received no Democratic votes in the House. Divisions within the GOP combined with the lack of Democratic support prevented the first version of the bill from even being brought to a vote.

Our concern is liberals and conservatives more than parties. We view liberalism and conservatism together with interest groups as the primary engines of policy creativity in Congress. Politicians such as members of the House and Senate and presidents usually are not creators of policy initiatives. Their primary role is to take ideological differences and conflict stemming from self-interest and assemble or merge them into initiatives or alternatively to block the passage of initiatives. From this angle, parties are legislative machines by which all this is accomplished. Today, given the ideological polarization of the parties this may be a distinction without a difference, but it is theoretically important. Ideologies are not parties and parties are not ideologies.

Party polarization, ideological polarization, and divided government

Our immediate concern is whether reduced numbers of moderates in the ADA 35-65 range (the middle one-third of ADA scores) make it more difficult to arrive at agreement, and whether the quality of initiatives (effectiveness and whether they are worthwhile) diminished or increased over time. Most scholars who have addressed this kind of question focus on party polarization or divided government more than ideological polarization, so we are obliged to learn whatever we can from them.

Divided government or party polarization: deadlock

Various scholars and journalists look at the same condition—either divided government or polarization—and arrive at opposite conclusions regarding governance. In the case of divided government James MacGregor Burns (1967) saw Congress and the president divided into four virtual parties: presidential Democrats (liberals); presidential Republicans (moderates), congressional Democrats (conservatives especially centered in the South), and congressional Republicans (conservatives). Burns (1967, 257) explained that if the electorate was only divided over economic class there might be just two parties, but because “way-of-life issues” split people in other directions, there were four. By this logic and given party characteristics in other countries, there could be more than four virtual parties, but Burns maintained that the institutions of Congress and the presidency served as magnets (our simile, not Burns’) for economics and way-of-life based groups.

Some of Burns’ contemporaries presented images consistent with his, but without the institutional (presidency and Congress) component: liberal Democrats centered in major cities; conservative Democrats concentrated in the deep South and West; liberal Republicans in the northeast; and conservative Republicans in the West and Middle West. Burns and allied scholars characterized four “party” government and two way divided government as recipes for deadlock or at least inefficiency (Kernell 1991; Sundquist 1992; Binder 1999, 2003; Edwards, Barrett, & Peake 1997). Achieving passage of important legislation typically required assembling alliances made up

of members of at least two of these virtual parties. To do so, compromise was essential; failure to compromise on contentious legislation meant that nothing would pass. For a given initiative the deadlock could drag on for years until the legislation in question was reworked and a coalition built (Abramowitz 2010, 160-165). Burns was irritated by the way policies he favored were delayed or passed in small, ill-fitting pieces. To him this condition appeared to constitute deadlock. Along similar lines, Sarah Binder (1999, 2003) finds that divided governments are less productive than united ones although productivity depends on whether an observer regards legislative action as efficient and worthwhile or not. Given the relatively great liberal proclivity toward proposing initiatives, scholars or journalists who equate congressional bill passage with productivity are probably displaying a liberal bias, but Binder (2003, 3, 35) disagrees, defining gridlock as failure of the president and Congress to resolve problems.

Jane Mansbridge (2012) also wants to facilitate congressional and presumably presidential action, because the federal government must solve potentially catastrophic problems such as global warming, nuclear proliferation, and economic depressions (pp. 1, 3, 7). In part, she argues, policy formulation is blocked by elements of democratic political thought that emphasize individual and collective resistance against authority, instead of collective action to resolve important problems (p. 1). She cites Robert Dahl as identifying two “significant impediments to democracy,” by which she means impediments to the passage of legislation and constructive executive action. One is a widespread view that the government should involve itself only modestly in the functioning of “corporate capitalism.” (Mansbridge 2012, 1 quoting Dahl 1977, 3) The second impediment to the operation of democracy is a government structure (e.g., separation of powers) designed to impede majority rule (Mansbridge 2012, 1 citing Dahl 1977, 5).

Mansbridge and Dahl argue that the two impediments to action reinforce one another. Corporations and the wealthy are able to translate economic power into political power. Since they often favor inaction, they utilize separation of powers, the federal system, and other features of the Constitution to prevent reform. Mansbridge and

Dahl want a more equal distribution of wealth to reduce the political influence of economic power.

According to Mansbridge, the dual impediments of uninhibited economic power and a government structure skewed against action have contributed to greater party polarization which has led to near deadlock (p. 2). It is not clear how this has occurred, but corporate interests and their allies are happy to see governmental paralysis regardless of the manner it comes about.

Mansbridge concentrates on what she calls the resistance tradition in Western political thought which began centuries ago with resistance to the king. We saw it in John Locke's work. She notes that: "The theme of resistance to government resonates throughout American political theory, from Madison through Thoreau and Emerson to the present day." (p. 3) She proposes an alternative that she calls a theory of democratic action that she bases on two premises: "First, we need coercion to solve collective action problems. Second, there can be no such thing as fully legitimate coercion." (p. 4) Her idea of collective action appears confined to the provision of public goods, but she defines the concept very broadly (pp. 4-5). To legitimize coercion as far as possible (which is to say to promote the public good), Mansbridge proposes that, among other things, campaign finance laws should be reformed to reduce the influence of corporate wealth, corruption should be reduced, and public-spirited people should be induced to run for office. She does not make clear who favors corruption aside from the corrupt, and what constitutes a public-spirited person is far from obvious. In any event, she maintains that a proper balance must be maintained between resistance to authority and the exercise of authority (p. 5). She admits that knowing how to maintain such a balance or even what constitutes such a balance is difficult to determine.

Divided government or party polarization: minimal impact on governance

David R. Mayhew (1991) found that divided governments are as likely to enact major legislation as united ones. Similarly, Charles O. Jones (1994) detected little relationship between divided government and

deadlock and saw divided government as in some ways a virtue. In the same vein, John Kenneth White (1992) listed important legislation passed by Democratic Congresses and Republican presidents including highway funding, revenue sharing, tax reform in 1981 and 1986, international trade, a nuclear forces treaty with the USSR, air pollution, child care, minimum wage increases, budgets, and rights for the disabled. White's list reflects a Congress far from the paralyzed body that Burns and like minded scholars believed to be the norm in periods of divided party control.

Theodore J. Lowi (1994, 411) has a unique take on the divided government debate. He notes that deadlock is the nature of separation of powers, and deadlock is hardened by divided government. But Lowi objects to terms like deadlock or gridlock and the imagery they elicit. The problem is not a matter of standoffs or stopped traffic as it is "a creeping incapacity to govern." (p. 411) Like Mayhew and Jones, Lowi points to legislation pouring out of Congress as evidence that something is happening in Washington, D.C. But this is not to say that the laws produced by Congress are effective or worthwhile. Instead, major legislation is: "broad and vague and ill defined, left to the president and the agencies to substantiate." (p. 412) Lowi goes on to say that such legislation leads almost inevitably to agency capture by the interest groups they are supposed to govern or interest groups being captured by the agencies. Either constitutes a thicket of governmental-interest group relationships unresponsive to outside influences. What Lowi is describing is a subgovernment.

Ideological and party polarization

Burns and many others with a similar thesis hoped to see ideologically homogeneous parties with, for example, all conservatives being Republicans and all liberals Democrats. In the 1950s a number of political scientists even argued that Congress should adopt a responsible party system similar in some ways to parliamentary arrangements (e.g., White 1992; Abramowitz 2010, ix). According to this position, party majorities characterized by ideological consistency and some level of discipline could rule effectively. Deadlock would

disappear or at least be reduced, and the nation could move forward.

The new century finds Congress with ideologically consistent, if not entirely disciplined, parties with liberals clustered at the high end of the ADA spectrum, conservatives at the low end, and few moderates in the middle. Either or both distributions are typically described as polarized. Ironically, given the optimism expressed by political scientists in the 1950s who looked forward to ideologically unified parties, many contemporary scholars who study polarization believe that partisan or ideological separation makes it difficult for compromise to occur and for legislation to pass. They describe ideologically polarized parties unable to compromise or ideological extremists unable to bridge the gap between them with insufficient numbers of moderates to broker compromise. Most scholars with this perspective also add that either type of polarization leads to incivility with partisans or ideologues hurling insults back and forth and devoting little attention to formulating effective and worthwhile public policy.

A side note: causes of polarization

Relatively few scholars have tried to explain the causes of ideological polarization, but many have studied the origins of party polarization. Probably the most prominent explanation of this phenomenon is offered by Nolan McCarty, Keith T. Poole, and Howard Rosenthal (MPR) (2006) who note that intensifying polarization has been accompanied by increases in income inequality with Democrats representing low income voters facing off against Republicans representing high income voters. According to this thesis, the higher the inequality, the higher the stakes and the wider the distance between Democrats and Republicans. It is likely that ideological polarization is also positively related to increasing income inequality (Garand 2010, 1110).

Richard Pildes (2011) does not disagree with the MPR income inequality thesis, but he undermines it, observing that the 2008 election blurred the relationship between Republican support and voter income with Barak Obama receiving more support than his Republican opponent John McCain among those earning more than

\$200,000 per year. And while Obama received strong support among voters earning less than \$50,000, McCain won a majority among voters in the \$50,000-\$75,000 range with Obama winning in the \$75,000-\$100,000 range.

Pildes (2011) joins other scholars in pointing to the Voting Rights Act (VRA) of 1965 as a major contributor to party polarization. Paul Frymer (2011, 336) cites Pildes approvingly, but cautions that a complicated condition such as polarization may have several causes. For example, many political scientists and historians trace the origins of partisan and ideological polarization to the New Deal, itself a complex set of economic, social, and political events.

Jeffrey M. Stonecash, Mark D. Brewer, and Mack D. Mariani (2003) also point to increased inequality of wealth as a cause of polarization, but in addition they see long term changes in congressional districts as important. These changes include the increased numbers of safe overwhelmingly Democratic “invariably liberal” African American districts and immigration (p. 51).

Alan Abramowitz (2010, 4) sees what he calls the “engaged public” as a major cause of polarization: “This group is made up of citizens who care about government and politics, pay attention to what political leaders are saying and doing, and participate actively in the political process.” As educational levels increase over the years greater numbers of the public have demonstrated interest in elections and public affairs, and as many other scholars have found, political elites hold more ideologically extreme views than do members of the general public (pp. 19, 43). Abramowitz’s engaged public includes not just elites but also substantial percentages of the electorate (p. 5).

The impact of ideological polarization

Many who focus on polarization appear to assume that conservatives occupying the low end of the ADA range (or other ideological measures) cannot easily find common ground with liberals at the higher end. In other words, these scholars describe polarization as if liberalism and conservatism are separate and opposite belief systems. However, we have demonstrated repeatedly that they have common

historical roots and share many core beliefs. Nevertheless, it is clear that incivility and unwillingness to compromise are more common now than they were in the 1960s. Today, compromise can even undermine a member of Congress' chances in party primaries. In 2017 journalistic accounts portray Democratic Senators and House members fearful that a single act of cooperation with Republicans can generate an expensive and potentially lethal primary challenge.

How do we measure or observe the impact of ideological polarization or lack of it? Perhaps we can contrast comparable policy formulation cases in the 1960s and 2000s. Today, House or Senate majorities on important legislation are made up of nearly all liberals (most of whom are Democrats) or nearly all conservatives (most of whom are Republicans). In the case of liberals in the first two years of the Obama administration a few broke away due to interest group (non-ideological) reasons just as a few less conservative Republicans might be convinced by interest groups to support liberal legislation.

Are there greater differences between liberals and conservatives now than in earlier decades? If the liberal-conservative gap has widened and become more rigid, has it changed the quality of policy formulation? These are not questions that can easily be addressed quantitatively because the three phenomena we have been describing—party polarization, ideological polarization, and divided government—are so intertwined. Another problem with trying to gauge congressional, presidential, and judicial decision making in a given policy area is that activity often extends over many years from initial consideration, failed attempts at passage, passage, implementation, modification of a program, implementation of a modified program, and so forth. Roll call vote analyses of initiative passage or examinations of executive orders or judicial rulings miss most of this process. For example, disputes over prayer in public schools and the installation of religious iconography on government property extend from the 1930s to the present. Furthermore, most of the action in this area occurred in the judiciary, not Congress. Consumer protection stretches back before the 1970s, but that decade saw an upsurge in consumer protection legislation. After that point consumer protection remained a continuing process involving executive branch and

independent commission regulatory action, court rulings, and congressional hearings and legislative activity none of which can be readily compared using quantitative techniques.

Many effective and worthwhile initiatives were enacted in the 1960s and early 1970s when Congress and the president were, in some scholars' renditions, deadlocked. A large number of these initiatives constituted substantial governmental, social, and economic change for good or ill depending on one's point of view. How do the 1960s and 1970s compare to the age of increasing ideological and party polarization that began in the 1980s? Keeping in mind that the period 1980 to the present includes the reworking of initiatives begun in earlier decades and worth counting as substantial change, we can list the following as being more or less initiated since 1980: enhancing nontraditional energy sources; reduction of global warming; ending affirmative action; ending and restarting federal aid to stem cell research; enacting Brownfields; enacting the Earned Income Tax Credit; large expansions of health insurance; creating charter schools; enacting school vouchers; preventing large business failures; providing low down payment and low interest rate mortgages; privatizing Social Security; expanding freedom of information; and bank and financial deregulation. If we consider this list as separate from the continuing revision of earlier initiatives, the period since 1980 seems less substantial than the 1960s-1970s even though the period 1980-2012 is over a decade longer.

Making the current period even less impressive, many of the more recent initiatives were relatively ineffective and Social Security was not privatized:

- Many nontraditional energy sources most notably solar and wind are not cost-effective except in highly specialized applications, wind turbines kill many thousands of birds every year, and political or safety concerns continue to delay the development of nuclear power.
- Whatever one thinks of the theory that human caused global warming is damaging the planet, efforts to reduce greenhouse

gases have been ineffective if only because there have been few serious efforts to do so worldwide. Politicians balk at the high cost, especially when it is not likely to be shared by competing countries.

- Ending federal aid to stem cell research was effective but thoughtless and destructive.
- Superfund is a debacle.
- Brownfields is in theory a substantial improvement over Superfund, but it appears not to have fully realized its promise.
- Preventing large business failures has been of mixed effectiveness at best, and it has been very costly.
- Providing low down payment and low interest rate mortgages was ineffective and destructive.

This is a substantial list of ineffective or only marginally effective initiatives, amid a mediocre collection overall, but can we blame ideological polarization (or party polarization or divided government)?

Perhaps case studies of initiatives might help us get a sense of the impact of ideological polarization. For purposes of discussion, we confine ourselves to initiatives that began as legislation, not court decisions or executive orders. We also rule out initiatives where local or state governments played a substantial part in policy formulation. This constraint removes charter schools and education vouchers where most of the policy-formulation activity is at the state and local levels.

It would also be useful if we confined ourselves to initiatives that span the period of supposed Burnsian deadlock and the more recent period of deadlock due to ideological polarization. This constraint plus restricting ourselves to initiatives enacted and modified mostly by congressional action reduces the list of potential case studies to: pollution control; perhaps Superfund/Brownfields; Earned Income Tax Credit (if we include the Nixon era negative income tax and welfare reform); health insurance; and perhaps banking and financial deregulation. Of these initiatives, health insurance offers the richest material for a case study because of its long time span, variety of initiatives, and intensity of public concern. We begin with the creation

the Kerr-Mills program and Medicare and conclude in 2017 with the American Health Care Act.

The 1960s and Medicare

We devoted considerable attention to Medicare in preceding chapters. It was enacted in 1965, two years after publication of the first edition of Burns' *The Deadlock of Democracy* (1967) and two years before the publication of his second edition. Medicare's passage followed many years of liberal frustration over federal government inaction in this area. In part, those feelings fed the belief reflected in Burns' work that the federal government was not meeting basic health care needs because of the deadlock induced by four virtual parties. Government-provided health care in general and health insurance for the aged in particular had been considered in some of the states during the Progressive era, by the Roosevelt administration in the 1930s, and Truman in 1948. The Kerr-Mills health care program, a relatively modest extension of the welfare system, was enacted in 1960.

Table 7.2 shows a Kerr-Mills vote scored by the ADA arrayed by party and three ADA ideological rating categories. Table 7.2 summarizes ADA vote number 12 (8/23/60) on Senator Clinton Anderson's amendment that would have helped pay for medical expenses for people over the age of 68. This vote was singled out by the ADA to best reflect the ideological divisions in the Senate in this policy area. The ADA regarded a vote for the amendment as supporting the ADA position. The breakdowns in our tables are taken from the ADA counts which are slightly different from the official vote partly because the ADA regards an absence as a vote against the ADA position. In 1960 the ADA used 12 votes for their ratings. To avoid double counting we recalculated the standard ADA ratings for each senator by removing the Kerr-Mills vote and dividing the number of pro ADA votes by 11 and then multiplying by 100. Ratings between 0-27.27 percent are labeled conservative, at the other extreme ratings between 72.72-100 percent are liberals, and those between 36.36-63.63 percent are moderates. The three categories are of equal percentage point size. The fractional numbers were generated by the divisor of 11. By our count

there were six Republican moderates and 11 Democratic moderates for a total of 17. Twenty-one conservative Republicans and 17 conservative Democrats opposed the bill. One conservative Republican (Brunsdale, ND) and a lone conservative Democrat (Hayden, AZ) supported the ADA position. Not surprisingly, the largest block of support (35) came from liberal Democrats. A majority of liberal Republicans opposed the bill (Smith, ME; Keating, NY; Scott, PA; Javits, NY; and Cooper, KY).

Table 7.2 ADA Health Care Senate Vote 1960

Adjusted ADA Scores		<u>Republicans</u>		<u>Democrats</u>		Total
		Against	For	Against	For	
Conservative	0.00- 27.27	21	1	17	1	40
Moderate	36.36- 63.63	6	0	3	8	17
Liberal	72.72- 100.00	5	1	1	35	42
Total		32	2	21	44	99

Source: Vote on Kerr-Mills. ADA Senate vote number 12 (8/23/1960)

The largest voting blocks in 1960 were the liberal Democrats (36), conservative Republicans (22), and conservative Democrats (18). Clearly, all of these blocks had to draw votes on controversial legislation from at least one other group. In the case of the Kerr-Mills vote, victory was accomplished by complicated negotiations in the House as well as the Senate. Nevertheless, a bill was enacted even though it may not have satisfied those who saw the result as inadequate and therefore the situation as deadlocked.

Liberals believed that health care provided as welfare would be underfunded and inadequate thus making recipients second class citizens. Liberals wanted a non means based system similar to and based on the

popular Social Security. Meanwhile, medical costs were increasing, putting the treatment of major health problems beyond the financial reach of the poor and middle class. Soon after taking office President John F. Kennedy sent a non means based proposal to Congress. The Kennedy bill, which was cosponsored by Representative Cecil King (CA) and Senator Clinton Anderson (NM) and widely known as King-Anderson, was opposed by the American Medical Association, the conservative coalition of Southern Democrats and most Republicans, and the powerful Democratic Chair of the House Ways and Means Committee Wilbur Mills. This was the kind of array that Burns described as blocking liberal reforms throughout government, but Mills' and conservatives' opposition was based on realistic assessments of program costs. This was not gridlock. Instead, it was reasonable opposition based on data. Conservatives were also afraid that Kennedy's program represented the thin edge of the wedge that would lead to a government-run health care monopoly along the lines of England and Canada. Interestingly, the *Times* disliked single payer government programs and denied that the Kennedy program was anything like them.

Table 7.3 shows the 1962 vote (ADA vote number 8, 7/17/62) that the ADA used to rate senators on their health care positions. In 1960 the number of moderates had increased from 17 to 24. In 1962 the ADA scored 12 votes, so the number of ADA rank categories was the same as it was in 1960. Liberal Democrats numbered only 27, so it was more important for them to attract support from liberal Republicans (which they did, but there were only 3) and some moderate Democrats (numbering 20, but the liberal Democrats only attracted 13 of those votes). The vote was close, but liberal Democrats could not pull together a majority. This vote looks less like a deadlock than it does a simple loss under conditions of fewer liberal Democrats, slightly more conservative Republicans, and many more moderates. Moderate Democrats opposed the bill by 13-7 and moderate Republicans were tied 2-2.

Kennedy failed to gain approval of his proposal, but it was enacted as Medicare in 1965 under the leadership of President Lyndon B. Johnson. Burns' thesis was only supported in the sense that it took the

federal government many years to formulate anything like a national health insurance system, and Medicare was only for the elderly. The 1964 election put more liberal Democrats in office. Table 7.4 shows the result in ADA vote number 9, a motion to delete the Hospital Insurance Plan from the Medicare bill (July 9, 1965). The table shows two operational definitions for moderates, liberals, and conservatives

Table 7.3 ADA Medical Care for Aged Senate Vote 1962

Adjusted ADA		<u>Republicans</u>		<u>Democrats</u>		
Scores						
		Against	For	Against	For	Total
Conservative	0.00-27.27	24	1	18	3	46
Moderate	36.36-63.63	2	2	7	13	24
Liberal	72.72-100.00	0	3	0	27	30
Total		26	6	25	43	100

Source: ADA Senate vote number 8 (7/17/1962)

The previous tables broke naturally into three equal ADA ranges for conservatives, moderates, and liberals, but in 1965 the ADA used 17 votes which meant that conservatives, moderates, and liberals could be divided into groups of six, five, and six or five, seven, and five. The major difference is that the number of moderates with the more narrowly defined moderate range is 13 while there are 21 moderates using the broader range. Either way, there were fewer moderates than there were in 1962. Either table shows liberal Democrats in a very strong position with 39 or 35 members. A few votes from liberal and moderate Republicans and moderate Democrats produced the Medicare enactment. However, even under these circumstances passing Medicare involved substantial bargaining and compromise (Social Security Administration, no date).

Table 7.4 ADA Medicare Senate Vote 1965*

Adjusted ADA Scores		<u>Republicans</u>		<u>Democrats</u>		Total
		Against	For	Against	For	
Conservative	0.00- 31.25	20	6	9	9	44
Moderate	37.50- 62.50	0	3	1	9	13
Liberal	68.75- 100.00	0	2	2	39	43
	Total	20	11	12	57	100
Conservative	0.00- 25.00	20	3	9	8	40
Moderate	31.25- 68.75	0	6	1	14	21
Liberal	75.00- 100.00	0	2	2	35	39
	Total	20	11	12	57	100

Source: ADA Senate vote number 9 (7/9/1965)

*Two different operational definitions of liberal, moderate, and conservative.

As we pointed out in the previous chapter, Medicare's design contained few rigorous spending control features, and costs increased rapidly (Smith 2002, 15, 21; Pear 1983 House panel...; *NYT* Medicare's whirring money machines, 2/16/84). Throughout the 1980s Congress sought to reduce spending with a freeze on physician fees paid by Medicare followed by a fee schedule for doctors, but it also added costly features (Oberlander 2003, 128; Smith 2002, 20).

In 1995 Republicans, enjoying a majority in the House and Senate, proposed the Medicare Preservation Act that contained medical savings

accounts (MSA), high deductible private insurance, and other changes supported by many conservatives (Smith 2002, 93; Oberlander 2003, 178; Borkowski 1995). The Republican plan was very complicated, and it was introduced with little warning (Pear 1995a). Liberals opposed MSAs as only benefitting the affluent and healthy, arguing as they have since that in the absence of those enrolled in MSAs, Medicare would enroll only the relatively poor and sick (*NYT* Drop the medical savings accounts, 11/13/95; Rosenbaum 1995).

Much of the GOP initiative was billed as reducing Medicare costs. The Congressional Budget Office analysis concluded that the cost savings would be achieved primarily through limits and cuts in Medicare payments to health maintenance organizations, hospitals, and doctors, not through efficiencies generated by MSAs (Pear 1995b Senate G.O.P. plan). Debate over the Republican proposal was characterized in a *Times* story as “bitterly partisan and acrimonious.” (Pear 1995c) After the American Medical Association endorsed the Republican approach, Pete Stark a Democratic representative from California characterized the endorsement as “unethical, amoral,” and “despicable.” Then he added: “People are passing out bribes to get endorsements.” (Pear 1995c; see also Hunt 1995) In congressional committee meetings Democratic proposals to add consumer protection features were voted down (Pear 1995c A.M.A. backing...). The *Times* quoted Lucia Divenere, a National Association for Home Care lobbyist: “What you see here, in microcosm, are two totally different approaches to government, two philosophies completely at odds with each other. It’s all black or white. There is no gray area.” (Pear 1995c A.M.A. backing...; see also Rich & Pianin 1995; Pianin & Yang 1995). Divenere offered a compact yet comprehensive description of ideological polarization in any policy area, and Stark illustrated the rhetorical tone of polarization.

The ADA did not evaluate this bill probably because it covered not just Medicare but Medicaid, education, environmental protection, and taxation. The closest Senate action we could find regarding only Medicare was Senate vote 495 (10/23/95) to table the Dorgan Amendment 2940 which held that it was the sense of the Senate that the

concurrent budget resolution was cutting Medicare and threatening both health care providers and recipients (see Table 7.5 below). The ADA scored 20 votes for each chamber in 1995 (the norm for recent decades) which breaks down evenly to ADA scores of 0-30 for conservatives, 35-65 as moderates, and 70-100 as liberals. Since the ADA did not evaluate this vote, the full ADA scores for all senators are counted in this table. This array was far more polarized by ideology and party than the previous Medicare votes shown above. There were only six moderates four of whom voted against the liberal position.

Table 7.5 Dorgan Amendment on Medicare Senate Vote 1995

Adjusted ADA Scores		<u>Republicans</u>		<u>Democrats</u>		Total
		Against	For	Against	For	
Conservative	0.00-30.00	49	0	0	0	49
Moderate	35.00-65.00	3	0	1	2	6
Liberal	70.00-100.00	0	0	1	42	43
	Total	52	0	2	44	98

Source: Senate vote number 495 (10/23/1995). This vote was not scored by the ADA.

The Republican reform passed the House and Senate but was vetoed by President Bill Clinton. The president justified his action as striking down a broad reconciliation bill full of many faults: ““Today I am vetoing the biggest Medicare and Medicaid cuts in history, deep cuts in education, a rollback in environmental protection and a tax increase on working families.”” (Devroy & Pianin 1995) His veto message did not mention the MSAs or the high deductible insurance options.

House and Senate action on Medicare and Clinton’s veto fit what is becoming a template for ideological and partisan polarization with ideologues and party loyalists firing rounds of rhetorical excess and

displaying no interest in the other side's case. Editorial arguments in our four barometer publications were only slightly more measured, and displayed similar rigidity. For example, the day before the Senate vote summarized in Table 7.5 the *Times* (Class conflict in Washington, 10/22/95) editorialized: "The Republicans are rushing through Congress the greatest attempt in modern history to reward the wealthy at the expense of the poor. They are also sacrificing the health needs of the elderly to pay for a tax cut for the affluent." However, even in an editorial laced with vitriol and sarcasm, the newspaper noted: "We have long argued that Medicare, the health insurance program for elderly Americans, is in need of reform. Many Republican ideas for introducing competition into the health care system and forcing providers to deliver care more efficiently are sound." Meanwhile, conservatives dismissed liberal concerns that insurance companies expanding into Medicare under conservative reforms might require monitoring and control. That some liberal amendments along these lines might have been intended more to delay conservative reforms than improve them did not contribute to a healthy dialogue.

The Balanced Budget Act of 1997 (BBA 97) was the next major congressional initiative concerning Medicare. It contained spending cuts and an option called Medicare+ Choice which included MSAs, fee-for-service plans, and managed care plans (Oberlander 2003, 177). The BBA 97 was similar to the 1995 conservative initiative, but with the difference that liberals adopted some conservative positions (pp. 177-78). Still, BBA 97 did not change Medicare into a voucher system, and it increased regulation. Oberlander (pp. 178-79) argues that this legislation offered something to almost every ideological position and interest group. For example, Medicare recipients would be able to establish MSAs with which they could purchase health insurance with high deductibles—what amounted to major medical policies—giving them the incentive to shop for medical services that would meet their needs, a feature that the *Wall Street Journal* liked. However, the *Journal's* overall take on the legislation was that it was permeated by a "socialist ethic" (*WSJ* Medicare balances the budget, 8/1/97). Liberals wanted to retain a "command and control" bureaucracy versus opening

Medicare to “more private competition and choice.” (*WSJ* The GOP spins Medicare, 5/9/97)

The *Times*’ (Fraud and waste in Medicare 8/1/97) evaluation of BBA 97 suggested that liberals were to some degree moving toward conservative market oriented approaches to Medicare. Not for the first time, the newspaper highlighted Medicare administrative shortcomings: “The amount of fraud and waste is huge, and supervision of the quality of medical care provided recipients is largely non-existent.” The editorial continued: “In recent weeks, Federal auditors have estimated that \$23 billion in Medicare payments last year—about one dollar in every seven—was due to fraud or mistakes.” It concluded: “the Health Care Financing Administration, the Federal oversight agency for Medicare, has neither the financial means nor the ability to tightly supervise the numbingly complex system.” More telling than the *Times*’ denunciation of fraud and waste was its solution—Medicare converted into one of the conservatives’ favorite object lessons—the system serving federal employees including members of Congress:

Medicare would provide the elderly with a voucher worth a fixed dollar amount to cover the cost of quality health plans, and the elderly would then choose from among local health plans, including traditional fee-for-service coverage. Federal overseers would collect and publicize information about the quality of rival plans so that Medicare enrollees could make informed choices about their health insurer. The overseers would also provide legal help for Medicare enrollees who believe their health plans failed to live up to their contracts (Fraud and waste in Medicare 8/1/97).

This editorial could have appeared in the pages of either of our conservative barometer publications, but its impact was short-lived as liberals quickly returned to their default position favoring the hierarchical command and control status quo.

Writing in 2003 Oberlander (p. 194) concluded that Medicare+Choice was a failure. Not only were Medicare beneficiaries not utilizing MSAs and other choices, they were withdrawing from them. The *Journal* made a similar observation but blamed it on inadequate funding

for these programs (*WSJ* Entitlements are forever 11/20/03). We were unable to find a vote on just the Medicare elements of BBA 97 nor did the ADA score such a vote.

The next major change in Medicare was the addition in 2003 of prescription drug coverage (Kaiser Family Foundation undated; Patel & Rushefsky 2006, 58-59, 62). The *Journal* regarded this Bush administration initiative (Medicare Prescription Drug, Improvement, and Modernization Act) as nothing but a massive expansion of unreformed Medicare as it transferred wealth from workers to retirees many of whom were considerably better off than most workers. Liberals favored the bill with reservations (Oliver, Lee, & Lipton 2004, 290). The *Times* echoed the *Journal's* concerns that the program would be expensive, although the *Times* (The Medicare choice 11/19/03) did not highlight the generational wealth transfer since this was also a feature of Medicare itself as well as Social Security; this was a point that liberals tend to gloss over. Three years later liberals described the program in positive terms noting that it was helping poor retirees with drug bills (*NYT* The drug benefit: A report card, 6/5/06; Report card on Medicare's drug plan, 9/3/07), and conservatives were pleased to see that the initiative was coming in under cost estimates, a first in the field of government medical insurance (*WSJ* Markets and Medicare, 10/4/06).

The prescription drug bill also modified Medicare + Choice renaming it Medicare Advantage. The *Journal* (Markets and Medicare, 10/4/06) saw an increase in participation in nontraditional health maintenance plans through this program, but the *Journal* accused liberal Democrats of trying to "strangle" options that went beyond standard centralized Medicare. The *Times's* version of this debate was that these private health plans were receiving "lavish subsidies" that should be eliminated (*NYT* Medicare's troubling prospects, 4/26/07; Constraining the Medicare debate, 2/25/08; Medicare's too costly private plans, 11/29/08).

The ADA scored a vote on the 2003 initiative (ADA Senate vote 8, 6/27/03), and determined that a vote *against* the bill supported the ADA position. The ADA regards a moderate as having an ADA score of

40-60. On a standard ADA scale from 0-100 this allows only five categories for moderates and eight each for conservatives and liberals. This operational definition by its disproportionate structure portray a radically bifurcated Congress.

In Table 7.6 we have again presented relatively narrow and wider definitions for moderate, although the two tables remain relatively similar with eight or thirteen moderates in the Senate. Both versions of Table 7.6 portray a mixed vote that mirrors the conflicted editorials in our barometer publications. Conservatives opposed the ADA position (i.e., they supported the bill) by a more than 3.5-1 ratio, moderates opposed the ADA by a 7-1 ratio, and liberals opposed the ADA by a 3-1 ratio. This outcome is quite different from the polarization observed in previous votes. Editorials suggest that this result was not so much from a meeting of the minds but from the fact that the bill represented a something-for-everyone compromise, an unlikely result in a truly polarized Congress.

We note in passing that, according to a 2012 report of the Social Security and Medicare Boards of Trustees, Medicare continues to be in terrible financial condition. One part of Medicare, the Hospital Insurance fund, pays for inpatient hospital and related care. In 2011 this fund had \$228.9 billion in income and spent \$256.7 billion (table on p. 1 of the report). Another element of Medicare, the Supplementary Medical Insurance (SMI) program pays for physician and outpatient services and prescription drugs. The SMI is guaranteed adequate funding by law; as expenditures rise, funding automatically increases. However, this is not to suggest that all is well with this part of Medicare. According to the Social Security and Medicare Boards of Trustees, SMI costs are projected to grow from 2.0 percent of the Gross Domestic Product (GDP) in 2011 to roughly 3.4 percent of the GDP in 2035 (Preface, no page #). This increase will crowd out other public and private sector needs that lack the advantage of built in funding support.

Table 7.6 ADA Prescription Aid Senate Vote 2003*

Adjusted ADA Scores		<u>Republicans</u>		<u>Democrats</u>		Total
		Against	For	Against	For	
Conservative	0.00-26.3	37	10	1	0	48
Moderate	31.6-68.4	4	0	3	1	8
Liberal	73.7-100.00	0	0	33	10	43
	Total	41	10	37	11	99
Conservative	0.00-21.0	36	10	1	0	47
Moderate	26.3-73.2	5	0	6	2	13
Liberal	78.9-100.00	0	0	30	9	39
	Total	41	10	37	11	99

Source: ADA Senate vote number 8 (06/27/2003)

*Two operational definitions of liberal, moderate, and conservative. Votes shown are for and against the ADA position, making those who voted against the ADA position supporters of the bill.

The Patient Protection and Affordable Care Act—ObamaCare

The last major Senate votes in this field concern the Patient Protection and Affordable Care Act (PPACA) supported by Barak Obama. Both votes were on H.R. 3590 that occurred on 11/21/09 (ADA vote 17) and 12/24/09 (ADA vote 20). Table 7.7 summarizes ADA vote 17. The middle range of adjusted ADA scores is 33.3-66.7. This is the most polarized vote by party (a pure party line vote) and ideology of any we

have examined regarding health care. All Republicans including four moderates and three liberals voted against the ADA position, and all Democrats including two moderates (there were no conservative Democrats) voted for the ADA position. The results of the vote on ADA vote 20 were identical to ADA vote 17.

Table 7.7 ADA AFC Act Senate Vote 2009

Adjusted ADA Scores	<u>Republicans</u>		<u>Democrats</u>		Total
	Against	For	Against	For	
Conservative	0.00-30.00	49	0	0	49
Moderate	35.00-65.00	3	0	1	2
Liberal	70.00-100.00	0	0	1	42
Total		52	0	2	44
					98

Source: Senate vote number 495 (10/23/1995). This vote was not scored by the ADA.

There were so many complicated issues associated with this over 1,000 page legislation that we can only cover a few that figured most prominently in the editorials of our barometer publications. It need hardly be said that the *Post* and *Times* favored most elements of this initiative and the conservative publications opposed them.

- **Mandatory insurance (Minimum Essential Coverage).** The statute requires virtually all Americans to carry at least a minimum level of health insurance or pay a fine. It also requires businesses with more than 200 full time employees to provide and subsidize insurance that meets at least minimum standards or pay a fine. Federal District Court Judge Henry Hudson ruled that the mandatory insurance cannot be justified as part of Congress’ Commerce Clause power and cannot be authorized under the Necessary and Proper Clause and is therefore unconstitutional (*State of Florida v. United States Department of Health and Human Services, et al.*, 2011, 63). The U.S. Supreme

Court ruled that, considered as a tax, mandatory insurance is constitutional.

- **Coverage for 46 million uninsured—comprehensive health care and a new public plan.** Liberals sought to provide health insurance for an estimated 46 million uninsured (*NYT* A public plan for health insurance, 4/7/09). This figure was the subject of much disagreement. A large number of uninsured would more easily justify a radical restructuring of the health care system than the lower estimates favored by conservatives who preferred incremental reforms to cover a smaller population of uninsured. The *Times* (A public plan for health insurance, 4/7/09) believed that a public insurance plan would offer greater choice and provide competition with private policies while reducing the growth of health care costs. Additional coverage would also be provided by increasing the income levels that qualify families and individuals for Medicaid.

The idea of a public plan was ultimately removed from the bill, but conservative Republicans fear that it will reappear in later legislation, and that a public plan will ultimately drive private insurers out of the marketplace creating a government-run single payer system (*WSJ* Repealing Erisa, 7/21/09; The public option goes over, 8/18/09).

- **Comparative effectiveness studies of medical treatments together with the potential of government decisions trumping doctors' preferred treatments and rationing.** The *Times* (A start on health care reform, 3/8/09) enthusiastically supports comparative effectiveness studies for medical procedures and treatments. The studies are supposed to reduce health care costs by encouraging or requiring doctors to select the most effective approaches (See Section 3007 of the ACA).

As we saw above, conservatives believe that the ACA will quickly become a universal government-run health care system similar to those operating in Europe and Canada. As such, health care would be rationed with a particular emphasis on reducing costs in the last six months of life (*WSJ* Obama's senior moment, 8/14/09;

ObamaCare's contradictions, 8/20/09). Few, if any, liberal advocates of health care reform deny that rationing will be a characteristic of a U.S. system, usually adding that Medicare and Medicaid already refuse to pay for certain procedures and drugs, and that private insurance companies also limit treatments.

Conservatives agree that expenditures for health care are necessarily limited. The central difference is the way constraints are applied. Conservatives (and liberals) have argued for many years that single payer systems including (or especially) those offered by employers and operated by insurance companies and subsidized by the federal tax system encourage participants to treat health care as a free good and to over-use it (*WSJ* Defining ObamaCare down, 2/26/10). The conservative answer is not a government-monopoly single payer system offering free care to all (which by liberals' own logic is even worse than the status quo) and then being obliged to ration it when costs become politically unsustainable. Instead, the conservative answer is something along the lines of medical savings accounts combined with privately run and competitive major medical insurance.

- **Health insurance exchanges.** Section 1311 of the ACA includes the establishment of marketplaces called "health benefit exchanges." The exchanges will be a framework within which insurance companies can offer policies to the millions of new subscribers to be covered by the ACA. To participate, insurance companies would be obliged to make available certain levels of coverage at costs comparable to those offered in employee-based group policies (*NYT* Health care reform and you, 7/26/09). Conservatives are not opposed to health insurance exchanges per se, but they believe that once a public plan squeezes private insurance companies out of the health care business, exchanges will be irrelevant. At present, insurance companies are exiting many exchanges or raising rates substantially.
- **Elimination of fee-for-service.** As we saw in an earlier chapter, liberals are hostile toward fee for service. As the *Times* (Health care

reform and you, 7/26/09) expressed it:

the long-term goal of health reform is to get rid of the fee-for-service system in which patients often get very expensive care but not necessarily the best care. Virtually all experts blame the system for runaway health care costs because it pays doctors and hospitals for each service they perform, thus providing a financial incentive to order excessive tests or treatments, some of which harm the patients.

Conservatives disagree with every element of the *Times*' criticism of fee-for-service. They believe that the current health care system is superior to Canadian and European government-run systems with their long waiting times for advanced treatments and severe rationing. Conservatives vehemently deny that "virtually all experts" blame fee-for-service for growing health care costs. They would regard the "virtually all experts" phrase as a gross exaggeration, and they blame single payer systems such as Medicare and Medicaid together with tax subsidized employer-provided insurance for increasing health care costs. Furthermore, liberals themselves often criticize employer-provided plans for driving costs upward (see the *Times* editorial cited in the next section below).

Conservatives also point out that a reason excessive tests and treatments are ordered is doctors' fears that failure to do so will invite malpractice law suits. The threat of such suits drives up malpractice insurance premiums with the costs passed along to patients. Tort reform is a major element of conservative health care initiatives, but it is rarely mentioned by liberals.

- **Funding sources.** The *Times* approved of the funding sources included in the ACA while also noting that much more would be needed. The *Times* cited estimates that the total will be twice the Obama administration's \$634 billion estimate over the next ten years: "Half would come from raising taxes on the rich, another quarter from eliminating unjustified subsidies for private plans that participate in Medicare, and other big chunks from reducing

payments to drug companies, hospitals and the home health care industry.” (*NYT* A start on health care reform, 3/8/09) A few months later the *Times* was estimating that the ACA would require \$1.5 trillion over the next decade. Meanwhile, many feared that the ACA would cause increases in private insurance premiums (*WSJ* The cost-control illusion, 3/13/10). Overall, conservatives argued that health care expenses would sky rocket under the ACA both because of direct program costs and the likelihood that as a single payer government monopoly costs would expand uncontrollably until tax payer patience runs out and rationing is intensified. In fact, as of 2016 ACA rates have increased substantially.

Polarization and the debate over the ACA

Senate votes over the ACA suggest the presence of extreme polarization. On this point the *Washington Post* (Health diplomacy; Our advice to the president: Pretend Jim Demint is an ayatollah, 1/24/10) observed: “Health reform is in trouble in large part because it failed to attract a single Republican vote in the Senate.” The newspaper continued: “Republicans say that the Democrats wanted a bipartisan gloss on a Democratic bill, and that—knowing he had an unshakable 60-vote majority in the Senate—Mr. Obama didn’t bargain in a serious way.” The *Post* went on to recommend that the Democrats:

call in Sen. Lamar Alexander (R-Tenn.), who has said the Republicans favor reform, but step by step; Sen. Robert F. Bennett (R-Utah), who earlier co-sponsored, with Sen. Ron Wyden (D-Ore.), a sensible and far-reaching plan; and Republican Sens. Olympia J. Snowe (Maine), Charles E. Grassley (Iowa) and Mike Enzi (Wyo.), who spent months last year negotiating with three Democratic counterparts in search of a bipartisan compromise...

In the same editorial the *Post* added a key point that we have been stressing throughout this study: “Outreach [by Democrats to Republicans] might produce better policy. Republican ideas on competition, tort reform, freedom for state experimentation and other issues could advance Mr. Obama’s goals of increased access and decreased costs. Republicans claim to be as committed as he to the three priorities he cited

Wednesday: insurance reform, cost control and help for small business.” Unlike the *Post*, the *Times* uncritically accepted what Obama offered (The president’s plan, 2/23/10; The Democrats’ choice, 3/4/10).

In a February 2010 health care “summit” Democrats claimed that there were substantial areas of agreement between Republicans and Democrats. Obama asked conferees to: “focus on where we agree because there actually is some significant agreement on a host of issues.” Similarly, Senate Finance Chair Max Baucus observed that “we basically agree.” (*WSJ* Defining ObamaCare down, 2/26/10). The *Journal* (Defining ObamaCare down, 2/26/10) differed: “the reality is that there is a vast philosophical and policy gulf on health care in Washington. Everyone agrees there are severe problems in the health-care markets. The disagreement is over solutions.” The *Journal* summarized the outcome of the February summit this way: “Democrats won the election and they are going to do what they want to do, starting next week and on a partisan vote...” (Defining ObamaCare down, 2/26/10) The *Journal* (The ObamaCare crossroads, 3/20/10) saw the passage of the ACA as a disaster: “The consequences of this bill will not only be destructive for the health-care system and the country’s fiscal condition, though those will be bad enough. Inextricably bound up in a plan as far-reaching and ambitious as ObamaCare are also larger questions about the role of government, the dynamism of American enterprise and the nature of a free society.”

The kind of discussion that the *Post* advocated appeared to be occurring to some degree throughout the political system during much of 2009, 2010, and 2011. The points and counterpoints discussed above arose from that discussion even though congressional Democrats and the president elected to push through massive and complicated but hurriedly written legislation parts of which were of doubtful constitutionality and much of which is proving difficult and expensive to implement. The ACA and the way it was enacted probably contributed to the Democratic Party loss of control of the House of Representatives (*WP* Mr. Obama’s plan; on health care, letting the next president do the hard stuff, 2/23/10; In search of Plan C; Is it too late to insist that health-care reform be truly paid for? 3/7/10). James C.

Capretta and Thomas P. Miller (2009, 45) writing in *National Review* summarized a version of the basic conservative position:

The principle informing a sensible insurance-reform bill is straightforward and politically appealing: If Americans remain in continuous coverage in today's system of voluntary private insurance, they should be guaranteed access to coverage, with premiums that do not unduly penalize them for developing health conditions that raise their risk profiles. This objective is achievable with a few changes in existing insurance laws.

This statement demonstrates that at least some conservatives have moved a long way from positions they took a few years ago. As we have seen, conservatives are as critical as liberals are of employer-provided insurance plans. Capretta and Miller (p. 45) focus on the lack of portability of such policies. When people move to a different employer they must also seek coverage from a different insurance company, and they may be subject to coverage exclusions and large increases in premiums. This problem was partly resolved by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), but it does not protect everyone. Capretta and Miller suggest modest changes in HIPAA that would handle most of the problems. Even so, some individuals changing employers will have medical conditions that are too costly to be covered in a new policy.

We are devoting little space to the Ryan-Trump American Health Care Act introduced in 2017 because as if this writing it has not reached the House floor. However, it probably would have won few if any House votes.

Polarization and movement toward at least partial agreement

Many regard contemporary politics as polarized with the two sides barely able to communicate except with insults. Those who hold this view can point to many elements of the health care debate as well as recent discord in other policy areas. Conflict over other initiatives throughout the time period of this study seems only somewhat less polarized. Health care, civil rights, gun control, welfare policy, and the rights of those accused of crimes were debated with sometimes

venomous intensity even though the presence of more moderates in Congress probably required compromise of the sort that did not occur during the fight over the ACA. And there is evidence in the near past *and* the 1960s that some liberals and some conservatives are (and were) aware of the other side's positions, are (and were) thinking about them, and have moved toward one another. Since the 1960s conservatives have accepted the need for a substantial federal presence in health care insurance, and they have slowly evolved policies that would use complex adaptive/market systems that have the potential to provide health care for everyone without relying exclusively on enormous federal bureaucracies or complicated federal-state partnerships. Meanwhile, many liberals, congressional Democrats, and President Obama still appeared to favor centralized bureaucratic mechanisms even when they were not needed and even though their impact on health care will probably be destructive.

We are speculating based on our detailed study of health insurance and our analyses of other initiatives, but in the short run ideological polarization leads to one of two conditions: first, deadlock if government is divided or if partisan splits in Congress are even; or second, the passage of poorly written rushed legislation if one side controls both houses of Congress and the presidency. The latter pattern appeared to hold both for the ACA and the abortive Ryan-Trump bill. In the long run, ideological polarization can be accompanied by continuing debate and the evaluation of feedback on the performance of initiatives by ideologues and interest groups with frustratingly slow corrective actions when ineffective or destructive initiatives are enacted.

Patterns

There appear to be patterns that lead to the formulation of effective and worthwhile initiatives and roughly opposite patterns that result in ineffective and worthless initiatives.

Whether initiatives are effective and worthwhile

We have tried objectively to evaluate whether initiatives are effective and worthwhile by relying on the editorials of our four

barometer publications, news accounts in those publications, and social science policy studies. With regard to effectiveness we found liberal-conservative agreement on whether initiatives are effective or ineffective in 40 cases (almost 77 percent). In one additional case (Brownfields) it is too soon to tell whether it will be effective. In six more cases evidence was mixed or the initiatives were seen as effective with exceptions. In only nine cases (just over 17 percent) did we observe absolute liberal-conservative disagreement on effectiveness.

Not surprisingly, there was less agreement regarding whether initiatives were worthwhile. We had full agreement or agreement between one united side plus significant numbers on the other side in 31 cases (nearly 60 percent). In nine cases (17 percent) there were mixtures of liberal and conservative agreement/disagreement. In only 12 cases (23 percent) did we find complete liberal-conservative disagreement on whether initiatives were worthwhile.

Evaluating the thoughtfulness of moral/value theories and policy theories

Our evaluations of the thoughtfulness of initiative sponsors' moral/value theories were relatively objective primarily because the standard we applied was not rigorous; any evidence of thinking about morals and values qualified as thoughtful. We rated policy theories as thoughtful if initiative sponsors used theories supported by evidence that mapped how to move from the present to improved futures. In evaluating the thoughtfulness or thoughtlessness of policy theories we rely on the arguments made by initiative advocates often in the editorials of our barometer publications together with social science policy analyses. What constituted an improved future was determined by moral/value theory. So, for example, reducing barriers to international trade was an initiative based on economic theory extending back to David Ricardo. Agree or disagree with free trade, it is impossible to deny that its defenders are applying a rigorous policy theory supported by substantial evidence. Providing low interest mortgages is a fine example of a thoughtless policy theory. Before this initiative was launched the mortgage market was operating smoothly aside from redlining which

was ended or reduced. The low interest mortgage initiative was meant to solve a nonexistent problem and was as important as any factor in causing the 2007-2008 economic downturn. That recession disproportionately hurt the low income families that the low interest mortgage initiative was supposed to help.

Ideological consistency

Ideologues promoting an initiative or opposing it should be consistent with the history and theory of their ideology. Consistency does not guarantee that an initiative is effective and worthwhile, but inconsistency constitutes a worrisome departure from an ideology's history. Such a break is not necessarily bad; it may represent, for example, a recognition that social or economic change requires a new policy. But among the initiatives examined here ideological inconsistency has usually taken the form of unprincipled and destructive initiatives or equally unprincipled and destructive opposition to the other side's initiatives. Ideologues generally think logically about policy positions using a long standing intellectual framework, so ideological inconsistency is relatively unusual, but when it appears it constitutes a warning sign.

Disagreement between ideologues and allied interest groups

Normally, ideologues take positions more or less identical to those held by self-interested groups with whom they are usually allied. However, there is a permanent tension between the broad and principled orientation of ideologues and the narrow self-interest of pressure groups. On the occasions when conflict breaks out, observers learn something about the effectiveness and worthiness of an initiative. This occurs, for example, when liberals and labor unions or conservatives and business entities differ.

Tunnel vision

If an initiative concerns matters unrelated to business and economics, advocates should consider equality *and* freedom *and* order. An exclusive concentration on a single value is an indication that something may be amiss, and if the single value is distorted, it is very likely to produce an ineffective or worthless initiative. Unfortunately,

ideologues in the throes of this single value tunnel vision are the last to recognize their condition just as elite decision making groups are blind to groupthink if they are already immersed in it.

If an initiative concerns business and economics, liberals should think about whether a problem they are trying to repair or a condition they are attempting to improve is the product of market misbehavior or breakdown. One of contemporary liberalism's most serious weaknesses is its frequent failure to understand that a correctly functioning market can produce widespread unhappiness and then to "correct" the non problem by preventing the market from adjusting itself. Meanwhile, conservatives often fail to identify true market breakdown and try to prevent liberals from resolving the problem with government action. In both cases ideologues do not employ a thoughtful policy theory that takes them from a valid analysis of a real or apparent problem to a solution; they misread a situation in different ways.

In an earlier chapter we hypothesized that when an initiative bridges business/economics and non business/economics liberals and conservatives have a tendency to talk past each other and not address problems directly. This phenomenon can only worsen tunnel vision and policy mistakes.

With regard to all domestic policy areas, if ideologues—especially liberals—conclude that an initiative is needed, they should try to use simple legislation preventing or allowing a given behavior, an incentive/disincentive, or a complex adaptive system. A finding that a large bureaucracy is required is on its face an indication that the initiative may be flawed. Of course, some governmental tasks must utilize Weberian hierarchies, but such a solution should be a last resort not, as it seems to be for many liberals, a first choice. Liberal interest group allies probably contribute to the creation of a large bureaucracy as they look forward to becoming part of a new subgovernment where they can influence policy-formulation from the inside on a continuing basis.

Many descriptions of contemporary policy formulation emphasize ideological and party polarization and resulting congressional inaction. The last half century of U.S. history shows that liberals and

conservatives agree on many things when initiatives are introduced, and even when they disagree, one side often gravitates to the other's position. Movement of one side toward the other sometimes occurs because an initiative's implementation is not as harmful as one side fears or because the initiative turns out to be effective and worthwhile. When an initiative concerns business and economics, movement also occurs because liberals mistook market misbehavior for breakdown and abandon an ineffective initiative or because conservatives mistook market breakdown for market misbehavior and accept the need for a liberal initiative.

Movement of one side toward the other usually occurs amid debates that make their way onto the editorial pages of our four barometer publications. Such debates often include policy studies sometimes supported or supplemented by self-interested groups. However, movement of one side toward the other often does not occur until an initiative is implemented and evidence of its impact becomes available. Those who promote an initiative seem to require first hand experience with it before they stop supporting it. Critical analysis from the other side may pave the way to a reversal by initiative sponsors, but it is not sufficient by itself.

The Importance of Ideological Debate

The United States has and continues to need a creative tension between liberalism and conservatism. Both sometimes advocate ineffective and worthless initiatives or oppose effective and worthwhile initiatives, and the other side researches and publicizes these mistakes. However, it appears that each side pays little attention to the other's critiques. We began an examination of the editorials in our barometer publications looking for evidence that the editorial writers read and are influenced by the other side's editorials. We found so few examples that we ended the study. As we observed above, ideologues apparently must witness the effects of their mistaken or destructive policies before they can change direction. We suspect that a pattern more common than ideologues influencing other ideologues is for politicians or their aides to follow the thinking of ideologues with whom they agree and then use

that work as they formulate initiatives, debate them in congressional committees, wage election campaigns, and so forth.

Although we believe that an indirect creative tension between liberals and conservatives exists, increasing polarization and mutual hostility is making it less creative. In particular, some liberal and conservative ideologues appear to believe themselves to be at opposite ends of a political spectrum. They have forgotten or never learned that they share a common history, and during this study's half century span they frequently held policy positions that were very similar when an initiative was introduced or after a passage of time when one side moved toward the other. Over the years they have held relatively few rigid opposing policy positions.

As long as liberalism and conservatism retain their historical consistency, there will always be differences between them, and those differences have often been constructive for the polity as a whole. But the much discussed polarization is worrisome. The public interest is ill served by the trading of insults in lieu of debate. Can the two sides engage in more constructive interactions with less hostility? At the risk of sounding naive, we suggest that a first step would be for each to recognize its shortcomings. They share a weakness for the tunnel vision/groupthink syndrome with its emphasis on single distorted versions of JBG values especially equality for liberals and order for conservatives. Tunnel vision/groupthink can also arise when liberals mistake market misbehavior for breakdown and propose government action to repair nonexistent problems, and it can develop when conservatives assume that market breakdown is misbehavior and oppose needed action.

Each side should be *more* self-consciously ideological in the sense that each should maintain ideological consistency. At first glance, this recommendation might seem to lead to greater polarization, but we saw in Chapter V that ideological inconsistency has been the source of several instances of destructive conflict. For example, in the 1950s and 1960s many conservatives opposed or dragged their feet on civil rights legislation partly because they focused almost entirely on the disorder

that they believed the civil rights movement was bringing. This disorder took the form of civil rights demonstrations and, conservatives believed, potential disorder in the legal system that civil rights legislation would bring. Conservatives ignored the disorder that segregation and the denial of voting rights represented, and this disorder was the fault of state and local governments. Government is supposed to protect people from disorder, not cause it. The conservative versions of order and disorder were warped and not consistent with the concept of order as it appears in the work of conservative theorists. Worse yet, conservatives ignored freedom (except for the freedom to discriminate) and equality including equality before the law which is a premier conservative value. Self-conscious ideological consistency by conservatives could have led to a quicker and smoother transition away from segregation and voting discrimination. Ideologically inconsistent initiatives for business and economics also produced unnecessary discord when liberals mistook market misbehavior for market breakdown and when conservatives made the opposite mistake.

Self-conscious ideological consistency could encourage the formulation of more thoughtful moral/value theories and policy theories. Superfund is one of many examples we could cite. The basic liberal moral/value theory for Superfund was sound. Few questioned the virtue of wanting toxic sites rendered harmless. However, the Superfund policy theory contained liability standards that extended responsibility for cleanup costs that were unjust and which guaranteed virtually endless chains of lawsuits and cleanup inaction. Retribution seemed more important to Superfund's authors than cleaning toxic waste sites. A law written by self-consciously principled liberals with the help of conservatives would have held polluters responsible who had created the pollution and in so doing would have triggered fewer lawsuits and accomplished more cleanups.

Each side should be aware of its own policy theory weaknesses. In the all too likely event that one side remains unaware of its weaknesses, the other side will publicize the problem to little immediate effect, but often with long term benefit.

A major liberal policy theory weakness is that liberals often sponsor initiatives that are to be implemented by large bureaucracies and accompanying subgovernments which extend liberal influence. Sometimes, by virtue of their size and structure, the initiatives can only be managed by large bureaucracies, but, that point aside, liberals seem to prefer large bureaucracies. Often the initiatives in question are thoughtlessly developed and worthless, requiring large blunt organizational tools to implement. However, even if policy theories are sound, bureaucracies come with problems. One is guiding them to respond to presidential direction. Liberals appear to believe that presidential appointees such as Cabinet officers will be able to convince Civil Service employees to adhere to presidential directions. But why should career employees do so if they prefer something else? Presidents and their appointees come and go, but career personnel remain for decades accumulating policy information and building relationships on Capitol Hill and among interest groups. In addition, bureaucracies often find it difficult to detect changing circumstances much less respond to them. And, in the long run bureaucracies are sometimes taken captive by client groups or groups the bureaucracies are supposed to regulate.

Liberals appear biased against complex adaptive systems which under some circumstances can operate more efficiently and responsively than bureaucracies. Perhaps some initiative sponsors distrust the responsiveness of complex adaptive systems to their participants such as parents in local school districts or citizens requiring health care covered by medical savings accounts. Some sponsors have a vision of how an initiative should function that is in their view distorted by the operation of the complex adaptive system. This disposition may also be reflected by the tendency of liberals to act against what they see as market breakdown when the market is operating correctly but generating widespread unhappiness.

Conservatives tend to assume that the economy works as market models indicate that it should even when in particular circumstances there is substantial evidence to the contrary or when some are hurt by its operation. This inclination is reinforced by (and reinforces) a

conservative tendency to ignore inequality. For example, conservatives favor international trade with no barriers such as tariffs or quotas. For the nation as a whole and in the long run this approach is sound, but when liberals, labor unions, and some corporations point out that some American workers will lose their jobs, conservatives are inclined to shrug and quote Joseph Schumpeter to the effect that creative destruction is a necessary part of progress.

Conclusions

No liberal or conservative activist or editorial writer views public policy formulation in the U.S. since 1961 with complete equanimity. For example, in the case of health insurance, liberals of the James MacGregor Burns school of democratic deadlock bemoaned the fact that decades were required before Medicare and Medicaid were enacted, but celebrated when it finally happened. Conservatives who opposed these initiatives came to accept the need for a federal role in this field, but continued to worry about rapidly increasing costs. Conservatives proposed replacing both programs with health savings accounts based on a market or complex adaptive system model. The election of the most ideologically oriented conservative president since Calvin Coolidge and a Republican majority Senate cheered conservatives committed to market-oriented health insurance reform, but their hopes were dashed by the president and Republican senators who turned their backs on conservative reforms and instead tinkered with bureaucratic rules that perhaps they understood better than markets.

Victory and defeat for both sides continued, but Medicare and Medicaid grew steadily and their financial condition worsened. Meanwhile, liberal concern grew for those not covered by these two programs. It was perhaps an indication of the thoughtlessness of liberal policy-formulation at this time that estimates of the numbers of individuals not protected by health insurance or of their demographic characteristics varied widely. The first new broad-based health insurance initiative, popularly known as HillaryCare, was hurriedly written by a task force assembled by Hillary Clinton (Priest 1992; Skocpol 1995, 70). It was subjected to devastating ridicule by

conservatives and Republicans that centered on a labyrinthine organization/flow chart a version of which appeared to originate in the Office of Management and Budget (Wartzman & Stout 1993). The version that critics used was described by the *Washington Post* as: “200-odd reddish organizational boxes linked by a dense web of angry lines.” (Grove 1994) HillaryCare defenders attempted to show that the flow chart had been made overly complicated by the inclusion of multiple boxes where one would have done, but the chart was a powerful visual aid. Even the sympathetic observer Theda Skocpol (1995, 73) described the program as “intricate” and calling for “daring leaps of innovative organization building.”

The 1995 Medicare Preservation Act contained medical savings accounts (MSA), high deductible private insurance, and other changes supported by many conservatives, but it was vetoed by President Clinton. Health insurance reform continued in a similarly ragged fashion until passage of the Patient Protection and Affordable Care Act, popularly known as ObamaCare. It seems ironic that this bill was larger and more complicated than HillaryCare, but Obama enjoyed greater advantages in Congress than Clinton. Liberals were happy to see the bill’s passage, but conservatives in many state governments ran a moderately successful guerrilla war against it. The Act’s incredible complexity may be more important to its eventual demise or modification.

Those who view the nation’s problem in developing a comprehensive, workable, and affordable health insurance system as caused by ideological polarization are mistaken. The central problem is that neither side has formulated a thoughtful policy theory. HillaryCare and ObamaCare were promoted as being market oriented, but the large number and variety of regulations and constraints in both programs suggest otherwise. Liberals are critical of many elements of the status quo even beyond its inability to cover everyone, and some are attracted to a national single payer system modeled after the ones used in Canada and Great Britain. But the federal government’s inability to run Medicare and (together with state governments) Medicaid with rigorous cost controls and minimal waste and fraud does not augur well

for the effective operation of an even larger and more complicated system.

Several years ago we wrote that conservatives seem not to be making progress toward the development of a comprehensive, workable, and affordable market-based health insurance system that they can substitute for ObamaCare, and/or Medicare, and Medicaid. As with liberals, this lack of success is not caused by polarization but intellectual failure. In 2016 with some fanfare, House Speaker Paul Ryan posted a Republican plan on his website, but it was scattered in three locations in that website and was incoherent. His American Health Care Act may have represented an improvement over ObamaCare, but none of its advocates were able to explain why.

Liberals and conservatives looking at the post-1961 policy-formulation landscape experience no difficulty pointing to examples other than health insurance of unsuccessful attempts to pass initiatives they favor or stop ones they oppose. Furthermore, in varying degrees liberals and conservatives agree that there have been many examples of thoughtlessly formulated, ineffective, and worthless or even destructive initiatives.

Despite all this, there are many opposite examples of thoughtfully considered, effective, and worthwhile initiatives. And there are instances of liberals and conservatives moving toward agreement on the virtues or defects of many initiatives. The U.S. political system is characterized by self-seeking and influential interest groups, principled if increasingly snappish liberals and conservatives, Congress and presidents of uneven quality, and voters only a minority of whom possess any knowledge of government and economics. Yet it addresses the many social and economic problems that arise with initiatives that often work or at least are made to work after considerable experimentation.

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