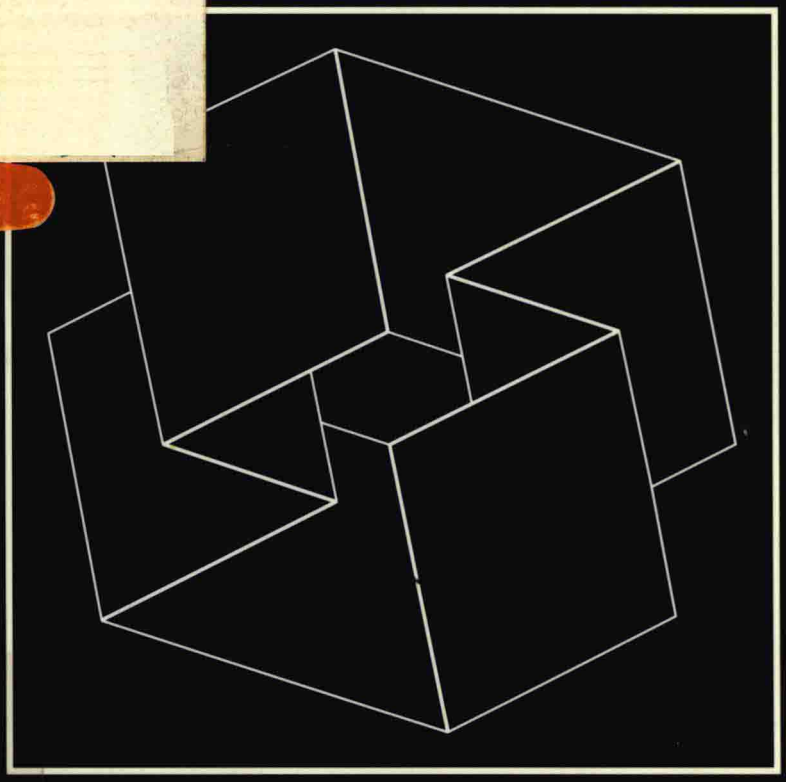
POLICY PARADOX

The Art of Political Decision Making



DEBORAH STONE

POLICY PARADOX:
THE ART OF POLITICAL DECISION MAKING 

DEBORAH STONE
Brandeis University

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POLICY PARADOX

For Jim

somewhere always,
alone among the noise and policies of summer

Preface to the New Edition

If we're lucky, our affection for our books grows as our books grow older. And if we're lucky in this way, it's very hard to write a new edition, because you can't revise a book without rejecting and abandoning something of its first incarnation. *Policy Paradox and Political Reason* brought me many friends and loyal fans, so I was all the more reluctant to squeeze the scissors.

Thanks to three editors who each had a hand in *Policy Paradox*, I overcame my trepidations and squeezed. (All hands were safely out of the way, I hasten to add, and besides, I didn't really squeeze the scissors; I clicked on them. But if I follow that linguistic turn very far, you and I will be on a different voyage, one even more fantastic than the one we're about to take into politics.) Backspace. Up Arrow. As I was saying, I revised. How much? Enough to make the book up-to-date and even clearer for students, but not so much that my colleagues (as one of them bluntly requested) would need to reorganize their syllabi.

Before I say more about changes to the book, though, let me say something about you. Some of you (mostly professors) have read the earlier book, and some of you (mostly students) haven't. Students and other new readers might wonder why they should care what's different about this edition. Truth to tell, you shouldn't, but you should read the preface anyway because it will tell you quickly what the book is about or at least what the author thinks it's about. And for that matter, if you read the preface again once you've finished the book, you'll get an aerial perspective, a view of the forest for the trees.

Back to the changes. Let's take what's unchanged, first. This book

grew out of my dissatisfaction with the fields of public policy and policy analysis. As far as I can tell, my four critiques of the standard policy literature are as necessary today as they were when I first conceived the book. So *Policy Paradox* remains deeply imbued with these critiques and is still structured as a counterpoint to the dominant policy thinking. Here are the critiques in a nutshell.

First, if one reads or talks very much about policy in academic settings, one can't help but notice a profound rejection of politics in favor of rational analysis. By and large, academic writing disparages politics as an unfortunate obstacle to good policy. Many political scientists have contributed to this literature of disparagement by demonstrating how actual policy making "deviates" from pure rational analysis. I believe we are all political creatures, in our daily lives as well as in our governance, and I wanted to construct a mode of policy analysis that accepts politics as a creative and valuable feature of social existence.

Second, the field of policy analysis is dominated by economics and its model of society as a market. A market, as conceived in classical microeconomics, is a collection of atomized individuals who have no community life. They have independent preferences, and their relationships consist entirely of trading with one another to maximize their individual well-being. Like many social scientists, I do not find the market model a convincing description of the world I know or, for that matter, any world I would want to live in. I wanted a kind of analysis that began with a model of political community, where individuals live in a web of dependencies, loyalties, and associations, and where they envision and fight for a public interest as well as their individual interests. This kind of analysis could not take individual preferences as "given," as most economists do, but would instead have to account for where people get their images of the world and how those images shape their preferences.

Third, the study of public policy, as it is conveyed in much of the political science literature, is remarkably devoid of theory. In trying to understand how policy gets made, political scientists have come up with an unrealistic "production" model of policy, according to which policy is assembled in stages, as if on a conveyer belt. They have written volumes describing particular controversies in different "issue areas" such as welfare policy or defense policy. They have offered case studies demonstrating the hopeless complexity and serendipity of policy making. And, when they have generalized from case studies, the generalizations are often fatuous: "Implementation is more likely to

be successful when the program enjoys a high degree of political support. . . ." (This piece of wisdom is from a leading textbook on implementation, and you and I both know you didn't need to pay tuition to arrive at this conclusion. Surely you didn't believe implementation is more likely to be successful when a program has little political support.) Since I've always thought there are generic arguments in public policy that cut across issue areas and stages of policy making, I wanted a mode of analysis that equipped me to recognize and formulate recurring arguments and counterarguments—in short, a rhetoric of policy argument.

Lastly, the fields of public policy and policy analysis largely worship objectivity and determinate rules. They aim to derive rules of behavior that will automatically lead to the objectively "best" results. I do not believe there are objective principles of goodness or rules for human behavior that can ever work automatically. I wanted a kind of analysis that recognizes analytical concepts, problem statements, and policy instruments as being political claims themselves, instead of granting them privileged status as universal truths.

In these ways, *Policy Paradox* has changed very little. Both its purpose and its central argument remain the same. The book still aims to craft and teach a kind of political analysis that values politics and community, and that renders more visible the arguments and political claims underlying what is usually passed off as scientific truth, beyond dispute. It still argues that each of the analytic standards we use to set goals, define problems, and judge policy solutions is politically constructed. There is no "gold standard" of equality, efficiency, social measurement, causation, effectiveness, or anything else.

Here's what *has* changed. In this edition, I've updated the illustrations to include such contemporary controversies as affirmative action, welfare reform, national health insurance, voting rights, and criminal justice policy. I've added review boxes to each chapter to highlight the main points. I've also shortened the title—no one, not even I, could remember the title of the first version. Most importantly, I tried to clarify and correct what came across as a kind of agnosticism, or even, some said, amoralism. Although I do believe there is no objective standard of equity, one that everyone in a society accepts and one that affects everyone in a community in the same way, neither do I believe that all distributions are morally equivalent. The book does not argue that values don't matter. Quite the contrary—I try to show, in every chapter, why the policy analyst or decision maker MUST bring his or

her values into the picture, precisely because all the king's concepts and techniques cannot yield definitive answers about the One Best Way.

Just because rewards, penalties, rules, and other policy instruments do not work with automatic and predictable mechanical regularity, as rational choice models would usually have it, it does not follow that all means of making policy decisions or getting people to change their behavior are equally consistent with democracy, justice, or community cohesion. Some kinds of inducement systems, for example, create more autonomy and self-determination for individuals, and some lead to more cohesiveness and cooperation than do others. In Part IV, I aim to demonstrate that every conceivable policy "instrument" or "solution" has broad effects on values, such as equity, democracy, or liberty, and that neglecting these effects leads to a pinched, distorted, ultimately unpolitical political analysis.

Even though, as I argue, the broad goals and principles at the heart of political conflict—things such as equity, efficiency, liberty, and security—can never be reduced to simple deterministic criteria and, therefore, cannot tell us how we should best decide policy questions, broad goals and principles can serve a crucial purpose. As aspirations for a society, they stand as ideals and promises for ourselves and future generations. They can unite people in striving for a better world, merely by forcing us to talk about what we can by these vague words.

In arguing about the meaning of ideals, we are required to justify our own political wishes as something more than self-interest, and we must be open to seeing alternative points of view if we hope to persuade those who disagree. The capacity to imagine a better world, one more just or harmonious or liberating and the capacity to reenvision problems and solutions continuously are qualities that make us human and give us a fighting chance at improving our lot. For all the trouble caused by vague goals, imprecise definitions of problems, and unruly policy instruments, we would be fools to trade them in for a calculator.

If this is your first encounter with *Policy Paradox*, I assure you the edition in your hands is much better than the one you missed. At any rate, it has more cartoons. But if you are one of the book's loyal fans, you can thank (or blame) John Covell, who bought the original concept for Little Brown, and Leo Wiegman, who found the book in a stack on his floor when he got to HarperCollins and rescued a difficult situation with grace and generosity. When you're done with this version, you can thank (or blame) Roby Harrington of W. W. Norton & Company,

whose editorial wisdom, enthusiasm for his work, and knack for author T.L.C. breathed life into this version. All three editors have kept watch over *Policy Paradox*, no matter that they have all changed desks during the life of the book. I thank each of them for a kind of loyalty and nurturing that is ever more rare in publishing.

Former colleagues at the Institute of Policy Sciences of Duke University provoked and stimulated this project. Robert Behn's essay "Policy Analysts and Policy Politicians" (in the *Journal of Policy Analysis and Management*) first set me to thinking about the differences between analytical and political logic. His and James Vaupel's work on decision analysis and our numerous discussions pushed me to articulate dissatisfactions that were at first only vague mental itches. Carol Stack's ethnography and friendship kept me grounded in the real world. While I taught at M.I.T., I drew particularly from the work of Donald Schoen and Martin Rein on problem framing and from the work of Suzanne Berger on interests. Carl Kaysen first suggested starting with a political analogue of the economists' Robinson Crusoe society. The initial version benefited from the thoughtful and helpful advice of James Anderson, Donald Blackmer, Roger Cobb, Joshua Cohen, Andrew Dunham, Steven Erie, Michael Lipsky, John Kingdon, Lynn Mather, Martha Minow, James Morone, Marian Palley, and the late Aaron Wildavsky.

If you like this version, you've got still more people to thank. Thank Marion Smiley, Bob Kuttner, several anonymous reviewers, umpteen cohorts of students, and my Reader of First Resort, Jim Morone. Thank my parents, Sybil and Steve Stone, who requisition, dote on, and correct most everything I write, and who still hold me to the acid test: "Are you happy?" While you're at it, thank Bob Kuttner and Paul Starr for whatever political insight and stylistic verve I've absorbed by hanging around *The American Prospect*, the magazine they cofounded. (Better yet, subscribe.) Thank Rich Rivellese at Norton, who tuned into the manuscript and lavished it with smarts, time, and a wicked sense of humor. Last but not least, thank Andy Dunham of Colorado College because he had more influence on this version than anyone. He is paradoxically my most challenging yet most gentle critic, and in hours of conversation about politics, paradoxes, and life, everywhere from sea level to five thousand feet, he has always managed to keep me feeling precariously safe.

Writers live with their own special paradoxes. One that has always fascinated me is that, to be able to write, an author has to create an imaginary audience for the piece not yet written. I summoned innu-

merable audiences to my study for the writing of this book—students, colleagues, former teachers, intellectual and political adversaries, and even, I confess, the MacArthur Foundation talent scouts. I thank them all for their eager ears, in absentia. None of them, however, was as impressed and enthusiastic as my grandmother, Celia E. Stone, who died long before I began *Policy Paradox*. She used to read my school and college papers and talk with me about them, and she was a fabulous audience. She made me want to write for people like her. She was intelligent, and, though unable to continue her schooling beyond high school, keenly interested in ideas. Whenever I write, I always put her in front row center.

As for thanking Jim Morone, leave that to me. (I can't let you disturb him anyway, since he's either writing *Sin*, or sleeping it off, or virtuously laying in our wood supply for next winter.) We have been privileged to share the writing life as precious few people ever do, and though *Policy Paradox* is no doubt better as a result, the whys and ways of my thanks to him are best reserved for a private realm, one where the scissors are real and their main job is creating bouquets for him.

Lempster, New Hampshire
July 1996

The visual paradox on the cover is from a lithograph by Josef Albers. In this and other works in the series, Albers uses nothing but straight lines to create illusions of volume and space. In his own words,

> Solid volume shifts to open space and open space to volume. Masses moving at first to one side may suddenly appear to be moving to the opposite side, or in another direction. Likewise, upward acts also as downward, forward as backward, and verticals function as horizontals. . . . Black lines produce gray tones, and, for sensitive eyes, even color.
>
> Thus we cannot remain in a single viewpoint, we need more for the sake of free vision.
>
> —from *Despite Straight Lines*

I can't imagine a better metaphor for *Policy Paradox* and give my thanks to the Josef and Anni Albers Foundation for permission to reproduce the print.

Contents

Introduction

Paradoxes are nothing but trouble. They violate the most elementary principle of logic: Something cannot be two different things at once. Two contradictory interpretations cannot both be true. A paradox is just such an impossible situation, and political life is full of them. Consider some examples.

Losing Is Winning

When the Republicans gained control of the House of Representatives after the 1994 midterm elections, passing a balanced-budget amendment to the U.S. Constitution was tops on their legislative agenda. Republicans had long criticized Democrats for profligate government spending and high deficits. Getting a constitutional amendment to require a balanced budget would be a powerful legal weapon they could use to cut government programs drastically. Early in 1995, it looked like both houses of Congress would pass the budget amendment easily. As time got closer to a Senate vote in March, however, the Republicans didn't seem to have the 67 votes necessary to pass a constitutional amendment. Senator Bob Dole, the Republican majority leader, kept postponing the vote, hoping to pick up more support, but eventually he brought the bill to a vote without having 67 votes lined up. Why would he bring the matter to a vote, knowing that the Republicans would fail to pass it? On the eve of the vote, he explained:

"We really win if we win, but we may also win if we lose."[1]

After the vote, the headlines were unanimous: "Senate Rejects Amendment on Balancing the Budget; Close Vote is Blow to GOP," went the *New York Times*' verdict. "GOP is Loser on Budget Amendment," echoed the *Boston Globe*.[2] What did Dole mean by claiming that a loss could be a victory?

Politicians always have at least two goals. First is a policy goal—whatever program or proposal they would like to see accomplished or defeated, whatever problem they would like to see solved. Perhaps even more important, though, is a political goal. Politicians always want to preserve their power, or gain enough power, to be able to accomplish their policy goals. Even though a defeat of the balanced budget amendment was a loss for Republicans' policy goal, Dole thought it might be a gain for Republicans' political strength. (So, apparently, did the *New York Times*, whose sub-headline read "Risk to Democrats.") Republican leaders acknowledged that they had lost a constitutional device that would have helped them immensely in redeeming their campaign pledge to enact the "Contract with America." But they also saw some important political gains. Senator Orrin Hatch, the chief sponsor of the amendment, called the vote "a clear delineation between the parties." A Republican pollster explained how the vote might help Republican candidates in the next Congressional election: "It lays out the differences as sharply as we could want them: We want to cut spending, and they don't."[3] Dole, already campaigning for the Presidency, used the occasion to lambaste President Clinton for "abdicating his responsibility" to control federal deficits, while Republicans in both houses talked about making Democrats pay at the polls in the next election. "As far as I'm concerned," Newt Gingrich crowed, it's like a fork in chess. They can give us a victory today; they can give us a victory in November '96."[4]

[1] Quoted in Jill Zuckman, "No Voting, More Anger on Budget," *Boston Globe*, March 2, 1995, p. 1.

[2] Both headlines on front page, *New York Times*, March 3, 1995; *Boston Globe*, March 5, 1995.

[3] Quotations in "GOP Is Loser on Budget Amendment," *Boston Globe*, March 5, 1995, p. 1.

[4] Quotation from "Senate Rejects Amendment on Balanced Budget," *New York Times*, March 3, 1995, p. A1.

Parades: Recreation or Speech?

An Irish gay and lesbian group wanted to march in Boston's annual Saint Patrick's day parade. The organizers of the parade wanted to stop them. The gay and lesbian group said a parade is a public recreational event, and therefore, civil rights law protected them against discrimination in public accommodations. The parade organizers claimed a parade is an expression of beliefs, really an act of speech. Their right to say what they wanted—by excluding from the parade those with a different message—should be protected by the First Amendment. Is a parade a public recreational event or an act of self-expression? Might it be both? What would you do if you were a justice on the Supreme Court and had to decide one way or the other?[5]

For or against Welfare?

When asked about public spending on welfare, 48 percent of Americans say it should be cut. But when asked about spending on programs for poor children, 47 percent say it should be increased, and only 9 percent want cuts.[6]

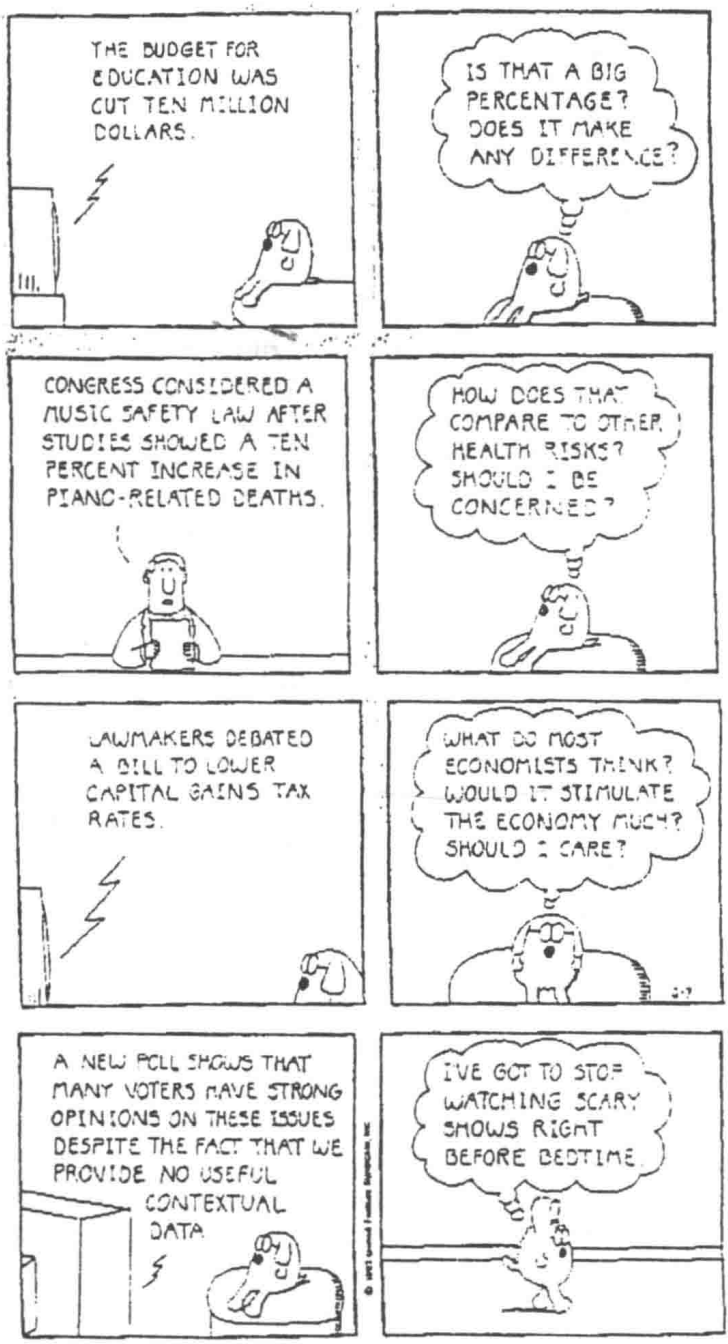
Do Americans want to enlarge or curtail welfare spending? It all depends on how the question is framed.

Enemies or Allies?

The Food and Drug Administration (FDA) regulates the testing and marketing of new pharmaceutical drugs. For decades, drug manufacturers have complained that the regulations make developing new drugs excessively costly and painfully slow. Thanks to the FDA, they have argued, the pharmaceutical industry is hardly profitable anymore, and the U.S. has lost its lead as the world's innovator of medical miracles. Drug companies have consistently wanted the FDA off their backs. When, however, the Republican party finally took control of the

[5]Linda Greenhouse, "High Court Lets Parade in Boston Bar Homosexuals," *New York Times*, June 20, 1995, p. A1.

[6]Jason DeParle, "Despising Welfare, Pitying Its Young," *New York Times*, December 18, 1994, p. E5.


THE BUDGET FOR EDUCATION WAS CUT TEN MILLION DOLLARS.
IS THAT A BIG PERCENTAGE? DOES IT MAKE ANY DIFFERENCE?
CONGRESS CONSIDERED A MUSIC SAFETY LAW AFTER STUDIES SHOWED A TEN PERCENT INCREASE IN PIANO-RELATED DEATHS.
HOW DOES THAT COMPARE TO OTHER HEALTH RISKS? SHOULD I BE CONCERNED?
LAWMAKERS DEBATED A BILL TO LOWER CAPITAL GAINS TAX RATES.
WHAT DO MOST ECONOMISTS THINK? WOULD IT STIMULATE THE ECONOMY MUCH? SHOULD I CARE?
A NEW POLL SHOWS THAT MANY VOTERS HAVE STRONG OPINIONS ON THESE ISSUES DESPITE THE FACT THAT WE PROVIDE NO USEFUL CONTEXTUAL DATA
I'VE GOT TO STOP WATCHING SCARY SHOWS RIGHT BEFORE BEDTIME.

House in 1995 and prepared to privatize most of the functions of the FDA, the pharmaceutical manufacturers were the first to rush to the FDA's defense.

Why the sudden turnabout? At one level, an industry and its regulatory agency are adversaries. One is a watchdog for the other, a guardian of the public interest against exploitation by those with more narrow self-interests. At another level, though, regulators and the regulated always have a symbiotic relationship. They depend on each other. Without an industry to regulate, the regulatory agency would be out of business. And, in the case of drug manufacturing, without the seal of government approval for its drugs, the industry would lose the "world's confidence in the superiority of American drugs," and the American public's confidence in the safety and efficacy of drugs. "We are for a strong F.D.A.," said the head of the Health Industry Manufacturers' Association. "They are our credibility."[7]

In politics, as in life, many relationships are simultaneously adversarial and symbiotic.

Which Came First—The Problem or the Solution?

In the 1950s, a federal program for mass transit was proposed as a solution to urban congestion. Subways and buses were presented as a more efficient means of transportation than private cars. In the late 1960s, environmental protection was the word of the day, and mass transit advocates peddled subways and buses as a way to reduce automobile pollution. Then with the OPEC oil embargo of 1972, Washington's attention was riveted by the energy crisis, and mass transit was sold as an energy-saving alternative to private automobiles. Was this a case of three problems for which mass transit just happened to be a solution, or a constant solution adapting to a changing problem?[8]

Babies: Product or Service?

New reproductive technologies have fundamentally changed the way people can have babies and create families. "Baby M" was born in

[7]Philip J. Hilts, "FDA Becomes Target of Empowered Groups," *New York Times*, Feb. 12, 1995, p. 24.

[8]John Kingdon, *Agendas, Alternatives and Public Policies* (Boston: Little Brown, 1984), p. 181.