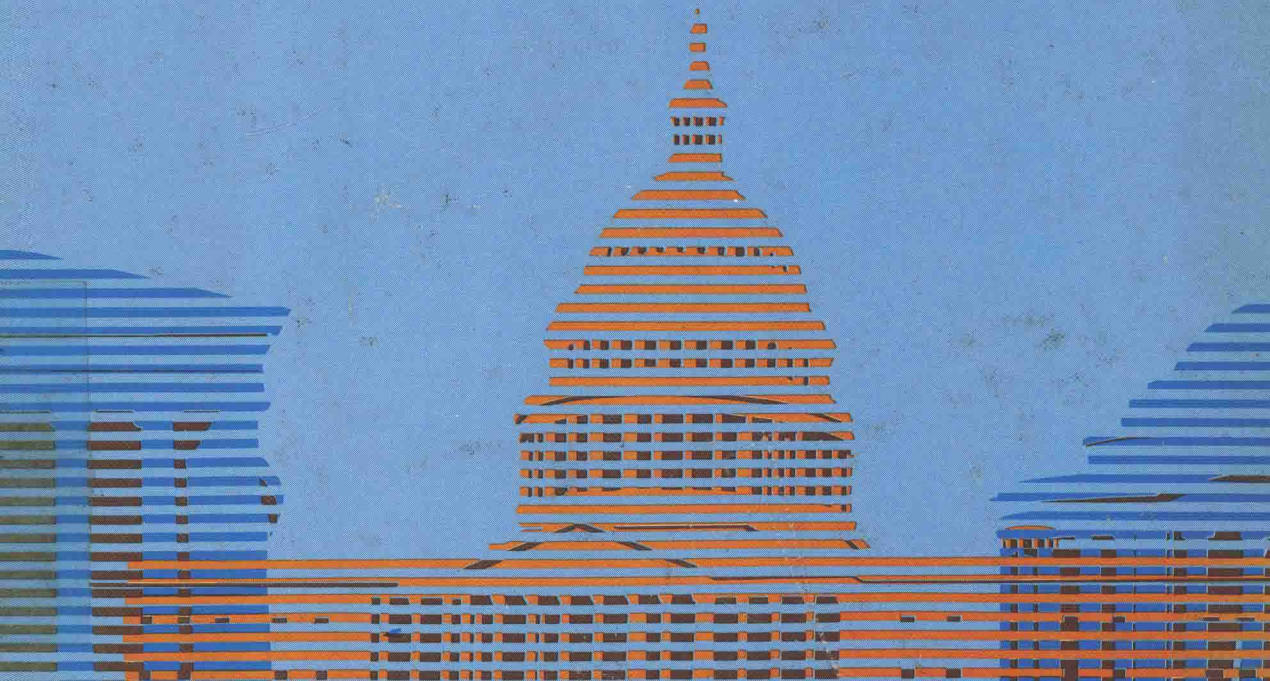


American Government

STRATEGY AND CHOICE

Peter H. Aranson



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For DONNA LYNN,
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and
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Preface

My goal in writing this book was to provide the reader with a comprehensive view of the substance of American politics and government using elementary rational choice theory throughout. (Rational choice theory is also called positive political theory, formal theory, deductive theory, public choice theory, game theory, decision theory, and somewhat inaccurately, empirical theory and the economic approach to politics.)

This goal posed three challenges. First, while political scientists have been “doing” rational choice theory for a quarter of a century (and economists, for much longer), this approach has not yet widely penetrated the political science curriculum. Some students seem unprepared for the rigor of economics in politics and government courses. While the text does not sacrifice rigor, it does hold the use of symbols to a minimum. Furthermore, the mathematics involved is at the level of students who have completed one year of high school algebra. Finally, all analytical concepts and operations are accompanied by common sense examples drawn from hypothetical or real political and governmental situations.

The second challenge concerned the limited extent to which rational choice theory had been applied to the entire range of political and governmental decision making. The progress of a science enjoys its own logic, unencumbered by pedagogical concerns. Positive political theory initially concentrated on various aspects of elections and coalitions, with only limited (but nevertheless significant) attention to bureaucratic, judicial, and interest-group decision making. Such limitations were very much in mind when I began to write this book. At first, I thought I would have to construct theory as I went

along, and indeed in many places, such as in the discussion of franchise extension, I have done so. But in the intervening years since I began this work, political scientists have applied their new and powerful analytical tools of public choice theory to an ever expanding set of phenomena. Certain phenomena remain to be explored using these tools—for example, procedural rules such as the Supreme Court's "rule of four" are likely candidates for analysis. But today the author of a text such as this one is less concerned with failing to explain a particular phenomenon and more concerned with failing to have included a recent scholarly contribution about that phenomenon, so rapid is the development in this field of political science.

The third challenge follows from the first two. Explaining new analytical concepts takes space, yet I was determined not to compromise the text's coverage of the substance of American politics and government. To my surprise, this challenge evaporated, as I *should* have expected. Good theory promotes parsimonious explanation and allows substance to be organized and presented efficiently. Accordingly, this text covers traditional substantive concerns as completely as most other texts. But the organization is somewhat different. For example, franchise extension, mentioned earlier, now appears in the chapter about the link between elections and public policy (Chapter 8), rather than in its place in a traditional text at the beginning. Furthermore, rational choice theory compels a far greater attention here to candidate decision making, bureaucracy, and litigation than one finds in other texts.

As a natural outgrowth of its theoretical perspective, the book is also cumulative in the material covered. One cannot read chapters at random, as one would an encyclopedia, for a grasp of the material in any one chapter depends on understanding the preceding chapters. In this respect the text is more like a science text than is the traditional American government book.

The specific intellectual debts I have incurred in writing this book are well documented in its footnotes, but certain people deserve special mention. Ferdinand K. Levy, former Dean of the Georgia Institute of Technology College of Management, and Henry G. Manne, Director of the Law and Economics Center of Emory University, contributed to this book by the kind of intellectual environment and support they provided me at their respective institutions. While neither is a political scientist, each fully understood the importance of this text and warmly encouraged its progress and completion.

Several people read the manuscript and suggested substantial improvements. These include John Aldrich, Paul Aranson, Robert Craig, James Enelow, Melvin Hinich, Samuel Krislov, William Mitchell, Morris Ogul, Peter Ordeshook, David Saffell, and Robert Salisbury.

My secretary, Mrs. David (Gillian) Lisle skillfully typed the final draft of the manuscript and efficiently coordinated the many other tasks associated with completing a project of this magnitude.

James J. Murray III, President and Political Science Editor of Winthrop Publishers, Inc., showed unusual patience, persistence, and faith in the text and kept the project on track at several critical points. Robert Duchacek and

Herbert Nolan, also of Winthrop, diligently and painstakingly directed the book's production.

Finally, the dedication expresses my deepest appreciation for the love, kindness, and support my wife Donna has always given me and as well records our wish that this book might help to make a better world for our children.

P. H. A.

Atlanta, Georgia

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Part I

Theory

Chapter 1: The Study of American Politics and Government

Chapter 2: Elements of Decision Theory

Chapter 3: Elements of Public Policy

Since the establishment of the Constitution of the United States in 1788, the size of the public sector in America has grown at a faster rate than the size of the private sector. As a consequence, politics and government now figure importantly in the life of every American, and if past trends continue, each of us can expect politics and government to become even more important in the future.

The public sector in the United States is made up of several government organizations (legislatures, bureaus, courts, and cabinets) at the federal, state, and local level. Each organization produces various goods and services, in different quantities (levels), at different prices (costs), and of different quality. Calling the “products” of these organizations “goods and services” does not mean that government and politics only concern economic problems. Of course, the quantities, qualities, and prices of these goods and services are sometimes easy to measure in economic terms. For instance, we can try to calculate the cost of sending a letter by mail. But at other times, it is more difficult to calculate the quantity, quality, or price of a publicly supplied good or service. For example, even experts find it difficult to measure our level of national defense; nor can we easily calculate the costs and benefits of public actions concerning emotional issues, such as equal rights for women, abortion, prayer in the schools, busing to achieve racial integration, and freedom of the press.

This book’s central goal is to provide the reader with the tools needed to

explain past actions taken in the public sector and to predict future ones. These explanations and predictions rest on the fundamental postulate that people's actions follow explicitly or implicitly from their decisions. Hence, this book helps the reader to explain and predict actions taken in the public sector by explaining and predicting the decisions of those who make up the public sector: citizens, voters, activists, candidates, senators and representatives, presidents and vice-presidents, bureaucrats, and judges.

This book is divided into four parts. Part I, entitled "Theory," provides the tools necessary to understand how people make decisions in general and political and governmental decisions in particular. Part II, entitled "Elections," first explains the rules under which Americans conduct their elections and then analyzes the decisions of those who participate in them: citizens, activists, and candidates. Part III, entitled "Institutions," examines decision making by members of Congress, the president, bureaucrats, and judges. Part IV, entitled "The Coming Agenda," analyzes the effects of adopting several proposals to reform American politics and government.

Chapter 1 begins by distinguishing between collective actions, which are political and governmental actions resting on a coercive sanction, and private actions, which are largely voluntary. The chapter then describes the nature, extent, and growth of collective action in the United States. Collective actions result from decisions, and a reasonable way to explain and predict decisions is to assume that people's choices reflect the efficient pursuit of their goals. This assumption is called the *postulate of rational choice*. In explaining and predicting political and governmental decision making in the United States, this book relies on the postulate of rational choice.

The term "rational" as used here is a technical term, which implies nothing about the "correctness" of a decision or the "sanity" of the decision maker. Nor must people explicitly calculate the effects of each decision they make. The postulate of rational choice requires only that they act *as if* they do. Finally, though they are "rational," decision makers may care passionately about what they are doing. This book's gentle reader will certainly understand that politics and government engage the deepest and sometimes the most violent aspects of human nature.

Chapter 2 describes elements of the theory of human choice. When we apply this theory to explain and predict private action, we call it *economics*. When we apply it to explain and predict political and governmental decisions, we call it *political science*. Chapter 2 first describes the components and conditions of every decision-making situation. Then, the chapter illustrates how to explain and predict decisions that people make under three different conditions: certainty, risk, and uncertainty. While this discussion of decision making is necessarily abstract, each example of a decision is drawn from American politics and government.

Chapter 3 uses the decision theory that Chapter 2 describes to explain and predict the first and most fundamental decision in politics and government: the decision to place some area of human action in the private sector or

in the public sector. If there has been no collective action, then the first decision to make some action collective is tantamount to creating a government. Chapter 3 then describes the desirable and undesirable consequences of both private choice and collective choice. Of course, to explain and predict whether someone would choose to make some action private or collective requires that we find out how that person evaluates the relative desirable and undesirable consequences of private and collective choice. Chapter 3 provides some tools to make such judgments.

Because we concentrate on people's preferences and decisions, we are able to identify three major problems in representative democracies such as the United States. (These problems are undoubtedly present in dictatorships and in other forms of government.) The first problem, which Chapter 2 introduces, is an incoherence in collective decision making: no apparent relationship may exist between the preferences and decisions of the citizens on the one hand and collective action (public policy) on the other. Stated differently, the citizens' actions in voting for particular public policies or candidates in elections cannot be aggregated or summarized or distilled in a way that would instruct candidates or officeholders which public policies to adopt. Stated yet another way, decision making in representative democracies, through voting in electoral and legislative processes, creates no public policy equilibrium. One effect of this problem is that candidates will not know which public policy positions will win elections. Consequently, they may not make these positions plain in their campaigns.

The second major problem, which Chapter 3 introduces, is the lack of a relationship between theoretical reasons for collective action and actual reasons for collective action. For example, according to the theory of collective action to which most economists and political scientists would subscribe, the president and the members of Congress should choose missile systems, military base locations, and naval vessel designs using criteria that measure national defense benefits for the entire nation. However, both in theory and in practice, government decision makers ordinarily choose among national defense alternatives according to the likelihood of winning election or reelection in particular states or districts and gaining the support of various interest groups. In sum, "private" benefits (for states, districts, and interest groups) motivate collective decisions where a consideration of "public" benefits should prevail.

The third problem, which Chapter 7 introduces, is collective action in the presence of intense minorities. These are groups of voters who judge candidates according to their positions on a single issue, while ignoring their positions on all other issues. The presence of intense minorities leads candidates and officeholders to withdraw from public policy position taking, and public policy positions are again made ambiguous if they are discussed at all. Theoretically desirable policies also may not be identifiable in the presence of intense minorities, since no one knows whether to satisfy the intense minority or the relatively more apathetic majority.

These three problems are endemic to representative democracy and have no apparent solutions in collective choice. However, these problems arise in different contexts, and proposals for change and reform will affect the frequency and severity with which they occur. Hence, the consideration of these problems occurs throughout this book.
