Contents

Preface

1 Policy Analysis
   What Governments Do, Why They Do It, and What Difference It Makes
   1.1: What Is Public Policy?
   1.2: Why Study Public Policy?
   1.3: What Can Be Learned from Policy Analysis?
   1.4: Policy Analysis and Policy Advocacy
   1.5: Policy Analysis and the Quest for Solutions to America’s Problems
   1.6: Policy Analysis as Art and Craft
       Summary: Policy Analysis

2 Models of Politics
   Some Help in Thinking About Public Policy
   2.1: Models for Policy Analysis
   2.2: Process: Policy as Political Activity
   2.3: Institutionalism: Policy as Institutional Output
   2.4: Rationalism: Policy as Maximum Social Gain
   2.5: Incrementalism: Policy as Variations on the Past
   2.6: Group Theory: Policy as Equilibrium in the Group Struggle
   2.7: Elite Theory: Policy as Elite Preference
   2.8: Public Choice Theory: Policy as Collective Decision Making by Self-Interested Individuals
   2.9: Game Theory: Policy as Rational Choice in Competitive Situations
   2.10: Models: How to Tell if They Are Helping or Not
       Summary: Models of Politics

3 The Policymaking Process
   Decision-Making Activities
   3.2: Problem Identification and Agenda Setting
   3.3: Agenda Setting from the Bottom Up
   3.4: Agenda Setting from the Top Down
   3.5: Agenda Setting: The Mass Media
   3.6: Formulating Policy
   3.7: Interest Groups and Policymaking
   3.8: Policy Legitimation: The Proximate Policymakers
   3.9: The Budgetary and Appropriations Processes
   3.10: Policy Implementation: The Bureaucracy
       Summary: The Policymaking Process

4 Policy Evaluation
   Finding Out What Happens After a Law Is Passed
   4.1: Policy Evaluation: Assessing the Impact of Public Policy
   4.2: The Symbolic Impact of Policy
   4.3: Program Evaluation: What Governments Usually Do
   4.4: Program Evaluation: What Governments Can Do
   4.5: Experimental Policy Research
   4.6: Federal Evaluation: The Office of Management and Budget
   4.7: Federal Evaluation: The General Accountability Office
   4.8: Program Evaluation: Why It Fails So Often
   4.9: How Bureaucrats Explain Negative Findings
       Summary: Policy Evaluation
9.7: Controversies over “No Child” 162
9.8: The Common Core 163
9.9: Race to the Top 164
9.10: Parental Choice in Education 164
9.11: Battles over School Finances 166
9.12: “Diversity” in Higher Education 167
9.13: Groups in Higher Education 170
9.14: Reading, Writing, and Religion 172
9.15: Reading, Writing, and Religion 174

**Summary: Education**

**10 Economic Policy**

Challenging Incrementalism 180

10.1: Incremental and Nonincremental Policymaking 180
10.2: Fiscal and Monetary Policy 181
10.3: Economic Theories as Policy Guides 181
10.4: Measuring the Performance of the American Economy 182
10.5: Financial Crisis and Nonincremental Policy Change 185
10.6: Fannie Mae and Freddie Mac 187
10.7: The Economic Stimulus Package 188
10.8: The Fed at Work 189
10.9: The Growth of Government Spending 191
10.10: Government Deficits and the National Debt 193
10.11: A Balanced Budget Amendment? 197
10.12: The Regulatory State 198
10.13: Economic Freedom 198

**Summary: Economic Policy**

**11 Tax Policy**

Battling the Special Interests 201

11.1: Interest Groups and Tax Policy 201
11.2: The Federal Tax System 202
11.3: Taxation, Fairness, and Growth 207
11.4: Tax Battles: Reagan Through Bush 209
11.5: Obama Sequestration and Shutdown 212
11.6: Capital Gains and Dividend Taxation 213

11.7: Replacing the Income Tax? 214

**Summary: Tax Policy**

**12 International Trade and Immigration**

Elite–Mass Conflict 219

12.1: The Global Economy 220
12.2: Changing Elite Preferences for World Trade 221
12.3: Elite Gains from Trade 223
12.4: Mass Losses from Trade 226
12.5: Elite–Mass Differences over Immigration 227
12.6: National Immigration Policy 230

**Summary: International Trade and Immigration**

**13 Energy and the Environment**

Externalities and Interests 237

13.1: Public Choice and the Environment 238
13.2: Environmental Externalities 238
13.3: Politicians and Bureaucrats: Regulating the Environment 242
13.4: Interest Group Effects 245
13.5: Global Warming/Climate Change 247
13.6: International Environmental Politics 249
13.7: Energy Policy 251
13.8: The Cap and Trade Controversy 255
13.9: The Nuclear Industry Meltdown 257

**Summary: Energy and the Environment**

**14 Civil Rights**

Elite and Mass Interaction 262

14.1: Elite and Mass Opinions and Race 262
14.2: The Development of Civil Rights Policy 264
14.3: Mass Resistance to Desegregation 266
14.4: Racial Balancing in Public Schools 268
14.5: The Civil Rights Movement 269
14.6: Public Policy and Affirmative Action 272
14.7: The Supreme Court and Affirmative Action 274
## Contents

14.8: Public Policy and Hispanic Americans 278
14.9: The Constitution and Gender Equality 280
14.10: Public Policy and Gender Equality 284
14.11: Abortion and the Right to Life 287
14.12: Public Policy and Sexual Orientation 288
14.13: Public Policy and the Disabled 288

**Summary: Civil Rights**

### 15 Defense Policy

#### Strategies for Serious Games

15.1: National Security as a Serious Game 291
15.2: Confronting Nuclear Threats 292
15.3: Arms Control Games 293
15.4: Missile Defenses: The Limits of Deterrence 295
15.5: NATO and European Security 297
15.6: When to Use Military Force? 300
15.7: Threats, Strategies, and Forces 303
15.8: Using Military Force: The Gulf War 308
15.9: Using Military Force: Iraq 309
15.10: What Went Wrong in Iraq? 309
15.11: Using Military Force: Afghanistan 312

**Summary: Defense Policy**

### 16 Homeland Security

#### Terrorism and Nondeterrable Threats 317

16.1: The Nature of Terrorism 317
16.2: Post-9/11 Response 320
16.3: Secrecy and Democracy: The FISA Court 322
16.4: Enemy Combatants 323
16.5: The Department of Homeland Security 324
16.6: Fighting Terrorism with Intelligence 325
16.7: Security Versus Liberty 329

**Summary: Homeland Security**

Notes 333
Bibliography 340
Web Sites 343
Credits 348
Index 353
Preface

Policy analysis is concerned with “who gets what” in politics and, more important, “why” and “what difference it makes.” We are concerned not only with what policies governments pursue, but why governments pursue the policies they do, and what the consequences of these policies are.

Political Science, like other scientific disciplines, has developed a number of concepts and models to help describe and explain political life. These models are not really competitive in the sense that any one could be judged as the “best.” Each focuses on separate elements of politics, and each helps us understand different things about political life.

We begin with a brief description of eight analytic models in political science and the potential contribution of each to the study of public policy:

- Process model
- Institutional model
- Rational model
- Incremental model
- Group model
- Elite model
- Public choice model
- Game theory model

Most public policies are a combination of rational planning, incrementalism, competition among groups, elite preferences, public choice, political processes, and institutional influences. Throughout this volume we employ these models, both singly and in combination, to describe and explain public policy. However, certain chapters rely more on one model than another. The policy areas studied are:

- Criminal justice
- Welfare and inequality
- Health care
- Education
- Economic policy
- Tax policy
- Energy and environment
- Civil rights
- Defense policy
- Homeland security
- International trade and Immigration
- International trade
- Immigration

In short, this volume is not only an introduction to the study of public policy but also an introduction to the models the political scientists use to describe and explain political life.

New to this Edition

The fifteenth edition of Understanding Public Policy focuses on the policy issues confronting President Barack Obama in his second term in the White House.

President Obama has made income inequality a major political issue. The rise of inequality in recent years is described and analyzed in a revised chapter entitled “Welfare and Inequality: the Search for a Rational Strategy.” But despite rising inequality, America remains the land of opportunity. Income mobility—people moving up and down the income ladder—characterizes American society. Studies reveal that over half of the poorest Americans can expect to move up the income scale in less than a 10-year period.

Obamacare remains the signature political achievement of the Obama administration. So far it has survived various challenges, including the important question of the constitutionality of the individual mandate. Chapter 8 describes the complex reasoning of Chief Justice John Roberts, who held that the mandate and penalty was really a “tax” and therefore within the constitutional power of Congress to levy taxes. This decision, opposed by the Attorney Generals of 26 states, paved the way for the implementation of Obamacare. Initially implementation went badly with computer glitches obstructing enrollment; later it was revealed that millions of existing plans were canceled for failure to meet new federal requirements. The President’s promise “if
you like your healthcare plan, you can keep your healthcare plan” was broken. According to national polls, the economy remains the most important issue facing America. Chapter 11 describes the near collapse of the banking industry in 2008–09 and the government’s unprecedented efforts to avert another Great Depression. It attributes much of the near disaster to the federal government’s policies including the actions of government corporations “Fannie Mae and Freddie Mac.” The chapter traces the long, slow, incomplete recovery—the “Great Recession.” The federal government’s debt now amounts to about $18 trillion, an amount in excess of $50,000 for every man, woman, and child in the nation. The economic policy chapter also describes that proposals to reduce annual deficits. A new section shows America’s ranking on the Economic Freedom Index to be dropping.

Despite years of seeming neglect, federalism appears to be experiencing a revival in the American institutional structure. The states are leading the way in medicinal use of marijuana, in same-sex marriage, and banning racial preference. All three issues are covered in separate chapters. Crime is down from its historic highs, partially as a result of law enforcement initiatives taken in states and cities in the 1980s and 90s, although now pressures have arisen to lessen sentences and hard-nosed police practices. In education, the federal government has granted waivers to most states from the controversial No Child Left Behind Act. The states have come together through the National Governors Association to construct a “common core” of desired educational outcomes.

Tax policy issues have severely divided the Congress. The standoff between the President and the Democratic-controlled Senate, and the Republican-controlled House is described in detail, including the sequestration and temporary shutdown of the federal government in 2013. President Obama succeeded in placing the blame on the House Republicans, and he succeeded in getting a raise in the top marginal income tax rates back to 39.6 percent. Despite the president’s rhetoric about income inequality, no change was made in capital gains tax and dividends taxation, which remain less than half of the rates on wage income.

Comprehensive immigration reform passed the Democratic-controlled Senate but failed to get to a vote in the Republican-controlled House. The elements of immigration reform are discussed in Chapter 12 and contrasted with current immigration policy of the United States. The United States has failed to enforce border controls and allowed 10–12 million undocumented immigrants to live in the country as second-class non-citizens. Special interests who gain from low-wage labor have been successful so far in preventing comprehensive immigration reform or even full implementation of current immigration laws. By executive order, President Obama ordered the non-deportation of children brought to the United States by their parents (in effect enacting the Dream Act which had been defeated in Congress). One result was an influx of children across our Mexican border.

Climate change is given new extensive coverage in Chapter 13 “Energy and the Environment: Externalities and Interests.” “Cap and trade” proposals are described as well as the efforts of the Environmental Protection Agency to enact rules previously rejected by the Congress. A new revolution in energy production—“Fracking”—promises to reduce United States dependence on foreign oil and gas, as well as reduce carbon emissions. Fracking was developed by the private market, not government, which continues to heavily subsidize “renewable” energy sources.

President Barack Obama’s drawdown of U.S. military forces is described and assessed in a revised defense policy chapter. The chaotic conclusions to America’s participation in the Iraq and Afghanistan wars are described as far as possible through our date of publication. The new drone war is also described. Obama’s statements on the key question of when to use military force
are contrasted with earlier statements by General Colin Powell and by Presidents Reagan, George W. Bush, and Bill Clinton. The final chapter on homeland security discusses the trade-offs between security and liberty, including surveillance by the National Security Agency, the activities of the Foreign Intelligence Surveillance Act (FICA) Court, and the status of “enemy combatants” held at the United States prison and Guantánamo Bay, Cuba.

*Thomas R. Dye*

**Available Instructor Resources**

The following resources are available for instructors. These can be downloaded at http://www.pearsonhighered.com/irc. Login required.

- **PowerPoint**—provides a core template of the content covered throughout the text. Can easily be expanded for customization with your course.
- **Instructor’s Manual and Test Bank**—includes a description, in-class discussion questions, and a research assignment for each chapter. Also included in this manual is a test bank offering multiple-choice, true/false, and essay questions for each chapter.
- **MyTest**—an electronic format of the Test Bank to customize in-class tests or quizzes. Visit: http://www.pearsonhighered.com/mytest.