CHAPTER 1

Introduction: General-Interest Policymaking and the Politics of Reform Sustainability

To innovate is not to reform.

—Edmund Burke

There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to institute a new order of things.

—Niccolo Machiavelli

The most dangerous moment for a bad government is when it begins to reform.

—Alexis de Tocqueville

On October 22, 1986, lawmakers from both parties gathered on the South Lawn of the White House and applauded as President Ronald Reagan signed into law the most comprehensive revision of the federal tax code in a half century. The landmark Tax Reform Act of 1986 eliminated or curtailed dozens of shelters, loopholes, and other tax breaks enjoyed by powerful corporations and well-heeled investors. By withdrawing tax preferences from a favored few, the federal government was able to sharply lower tax rates for millions of low- and middle-income Americans without increasing the federal budget deficit. While the tax reform law was not flawless, it made the federal tax system fairer and more efficient. At the signing ceremony, Reagan called the Tax Reform Act “the best antipoverty bill, the best pro-family measure, and the best job-creation program ever to come out of the Congress of the United States.” “At last. It’s a day to stop and take unashamed satisfaction in a triumph of the whole over the parts,” editorialized The New York Times. Only a few months earlier, it looked like this historic day would never arrive. Hundreds of high-priced Washington lobbyists worked feverishly to bury the measure in committee. But Senate Finance Committee chairman Robert Packwood (R-OR), Ways and Means Committee chairman Dan Rostenkowski (D-IL), and President Reagan came together to defeat the special interests.

For scholars and journalists alike, the importance of general-interest reforms like the 1986 Tax Reform Act goes beyond their substantive policy accomplishments. These stunning reform victories signal that American na-
tional government has the capacity to overcome parochial concerns and serve a larger public interest. The American state can fulfill its core purpose of promoting the general welfare.

Unfortunately, many of the accomplishments of the Tax Reform Act of 1986 have been gradually eroded. The remarkable 1986 coalition between supply-side Republicans and tax-reforming Democrats has “disintegrated” over the past twenty years, leaving the reform vulnerable and defenseless. Although important “vestiges” of the celebrated measure remain, tax policymaking dynamics have largely regressed to their pre-1986 ways. Politicians of both parties have been keen to create special tax preferences for capital gains income, educational savings accounts, and the energy industry. Some of these new tax preferences have failed to achieve their own purposes because they offer subsidies to activities that would take place without them. Since the late 1980s, the core principles of tax simplification and horizontal equity have been honored mainly in the breach. The federal tax code has become less neutral, less economically efficient, and far more opaque and convoluted. While individual tax shelters have been curbed, tax shelters for corporations have proliferated. These developments have been demoralizing to politicians, public interest lobbyists, and policy experts alike. “The Tax Reform Act of 1986 was a great leap forward,” said former Congressional Budget Office director Robert D. Reischauer. “Now we’re slowly undoing the good that we did then.”

The failure of the Tax Reform Act of 1986 to consolidate its gains and reconfigure political dynamics is just one example of a larger and more worrying phenomenon—the reversal or unraveling of general-interest reforms after their adoption. By general-interest reform, I mean a non-incremental change of an existing line of policymaking intended to rationalize governmental undertakings or to distribute benefits to some broad constituency. Examples of general-interest reforms include agricultural reform, transport deregulation, procurement reform, and private pension reform. The targets of general-interest reforms are the policy sins and social pathologies of the day before yesterday. The long-term sustainability of reform projects, however, depends on what happens to them tomorrow. By sustainability, I mean the capacity of a reform not only to maintain its structural integrity over time, but to use its core principles to guide its course amid inevitable pressures for change.

The threats to reform sustainability are multiple and mutually reinforcing. They include interest group power, rent seeking behavior, and parochialism. Narrow interests can be expected to press their particular demands up to a point where the organizational costs in effort exceed the expected benefits of winning. But clientelism is not the whole of the sustainability problem. Threats to reform sustainability also include the rational ignorance and myopia of mass publics, the political allure of empty symbolism, and the tempta-
tion of politicians to serve the organized and meddle with markets rather than promote more general-interests. In sum, the passage of a reform law is only the beginning of a political struggle. Reform enactment could indicate a sharp, permanent break with prior patterns of governmental activity. It may signal that the political climate has fundamentally changed in ways that will redound to the benefit of ordinary citizens. By itself, however, the passage of a reform act does not settle anything.

A PREVIEW OF THE ARGUMENT OF THIS BOOK

General-interest reforms are frequently adopted with great fanfare, but their success simply cannot be taken for granted. The losers from reform cannot be counted on to vanish without another fight, and new actors may arrive on the scene who will seek to undo a reform to further their own agendas. Rather than a one-shot static affair, policy reform must be seen as a dynamic process, in which political forces seeking to protect a general-interest reform may be opposed by forces seeking to undermine it. Indeed, sustaining reforms against the threats of reversal and erosion may be even tougher than winning the reforms’ adoption in the first place. To draw an analogy from everyday life, losing weight is hard, but the real challenge is keeping it off.

Yet if making reforms stick is a formidable task, it is not an impossible one. The sustainability of reforms turns on the reconfiguration of political dynamics. Concentrated interests must be prevented from reasserting themselves. This may entail the disabling of power structures that shield narrow groups from democratic accountability. Equally important, the reforms must produce a self-reinforcing dynamic. Often that may involve a Schumpeterian process of “creative destruction” in which group identities and coalitional patterns shift, would-be rent seekers are divided, political expectations change, and social actors become invested in the new policy regime.

After reform, governance should become less particularistic or more technically or administratively rational. In some cases, the scope of the government’s interventions may narrow. But reform does not extract public policy from ultimate dependence on the political process. All reforms require, at a bare minimum, rules and legal frameworks to support them. Some policy reforms even require the government to expand its capacities. Government’s role changes after reform, but government does not disappear. As Alfred Kahn, the father of airline deregulation, has argued, reform “should not be understood as synonymous with total government laissez-faire.” Because government is inevitable after reform, politics is inescapable. Without the incentives for inefficient and inequitable policymaking that American politics often creates, general-interest reforms would be unnecessary. Without the creative coalition-building that the American political system makes possible, reforms
could not be enacted. And without the economic and social transformations that American politics ideally permits, the reforms could not be sustained. While policy reform may be intended to promote economic goals, it is a political project all the way through.

While the political sustainability of general-interest reforms has been little-studied, this analysis joins a broader dialogue about the politics of policy stability and change, one to which scholars as diverse as Forrest Maltzman and Charles Shipan, Andrea Campbell, Suzanne Mettler, Jacob Hacker, Terry Moe, Karen Orren and Steven Skowronek, Christopher Berry, Barry Burden and William Howell, and Frank Baumgartner and Bryan Jones have made contributions. My analysis differs in subtle but important ways from these prior studies. In providing a detailed examination of how the rules, incentives, and norms embedded in reforms channel and constrain political dynamics over extended periods of time, my analysis departs from Maltzman and Shipan’s important quantitative study of legal durability and why some major laws are more likely to be subsequently amended than others. An emphasis on how sustainable reforms not only heighten the political activity of citizens that make affirmative demands on government but also disempower and divide rent-seeking clientele groups distinguishes this account from the compelling positive feedback studies of Campbell and Mettler. With its emphasis that the sustainability of reforms turns as much on coalitional patterns and the play of uncoordinated market forces as on institutional changes, my analysis diverges from accounts that emphasize the politics of administrative structure (Moe) and shifts in formal authority (Orren and Skowronek). In contrast to studies (Berry, Burden, and Howell) arguing that policy durability hinges on the continuity of initial enacting coalitions, I argue that the most resilient reforms upset inherited coalitional patterns and stimulate the emergence of new vested interests and political alliances. Theoretically, my study of reform trajectories is related to Jacob S. Hacker’s important work on how social policies evolve without the formal revision of laws, but my study investigates policy development across a broader set of arenas, providing an opportunity to sharpen our understanding of how policies reshape politics in different settings. While I discuss the distributional consequences of reforms, my analysis also places unusual emphasis on the efficiency implications of policy feedback, thereby linking market and political models of policy analysis. Finally, in its focus on what happens years or even decades after the passage of major policy shifts, the account differs from Baumgartner and Jones’s influential punctuated equilibrium model.

JUST AN IMPLEMENTATION PROBLEM?

My analysis also differs from the traditional literature on policy implementation, which examines what can go wrong after laws are enacted. A major les-
son of this literature is that implementation is politics by other means. As Jeffrey Pressman and Aaron Wildavsky argued, “continued skepticism [is warranted] when anyone suggests that inherent features of political life can be summarily abolished.” This lesson is certainly relevant to the present inquiry, but there are at least two subtle but important differences between my approach and how most scholars have studied the implementation process.

First, implementation has been conceived as a process of “assembling numerous and diverse program elements,” such as administrative and financial accountability mechanisms and regulatory clearances. While reform sustainability may also entail the building of a new “policy machine,” as mentioned earlier, it usually involves a process of disassembly. Some extant policy system must be cleared away or at least contained before a reform can be safely established. Second, the implementation literature focuses mainly on the internal life of bureaus and the conditions under which statutory mandates are (or are not) translated into administrative actions. Classic implementation problems include bureaucratic resistance, tokenism, and delay. These problems can affect the durability of reforms. Yet reforms may crumble not because of anything bureaucrats do, but rather because of the actions (or inactions) of elected officials themselves.

In the language of rational choice modeling, the implementation literature focuses primarily on “slippages” between the preferences of political principals and the actions of their less-than-faithful bureaucratic agents. My analysis, in contrast, gives more attention to agency slippages between the citizenry (the ultimate principal in a democracy) and the government, and especially to what theorists refer to as the “commitment problem,” meaning the inability of a sovereign government to bind itself or its successors. Today’s leaders may change their minds about the direction of public policy and, even if they don’t, they will eventually be replaced by other leaders who hold different views. The commitment problem may not be a concern for rank-and-file lawmakers, who arguably benefit from voting to enact general-interest reforms and then benefit themselves, again, at a later stage, by retracting the policies to serve other goals. But it is a serious problem for those policy entrepreneurs advocating reforms, who might stand to attract more political support if they could credibly demonstrate that reforms, once adopted, will endure. And it is an even bigger problem for the intended beneficiaries of reforms, especially diffuse constituencies who may be poorly placed to defend their policy gains over time. If the commitment problem could be better managed, society would be better off.

When the commitment to a general-interest reform unravels, three bad things happen. First, the substantive achievements of the reform are lost. Thus, all or most of the reformers’ hard political work was for naught. This suggests it would have been better if the political system had focused its limited attention and information-processing capacities on some other problem.
Second, the undoing of a reform undermines the stability that people need to plan for the future. There is a sense in which even a durable “bad” policy is better than a fragile “good” one. “The problem for America is that no one knows what will come next in terms of changes to the tax code. With Congress constantly twiddling with the tax controls, companies and individuals are unable to develop long-term strategies to build financial security. Even a bad tax law that is left in place is better than almost constant substantive changes that undermine investment strategies and business plans,” states one professional association newsletter.

Finally, the unraveling of reforms causes ordinary Americans to lose faith in the ability of public leaders to solve public problems. When tax reformers today talk about cleaning up the tax code again, for example, voters think they've seen that movie before, and they know how it turns out. “Achieving [a new comprehensive tax reform] would have to overcome the cynicism that's developed, because the grand compromise of ’86 lasted . . . only a few years,” lamented a tax expert who was one of the leading architects of the reform. Similar statements could be made about farm subsidy reform, campaign finance reform, health care reform, administrative reform, and so on. In sum, the unraveling of general-interest reforms harms the economy, squanders scarce political resources, and breeds public disillusionment with government.

A NEW POLITICS OF PUBLIC POLICY?

How sustainable have the major U.S. general-interest reforms of the past thirty or so years been? Why have some domestic reforms produced a remarkable shift in political dynamics while others have barely left a trace on the policy landscape? What lessons do the post-adoption experiences of major policy reforms offer about the capacities and incapacities of American national government?

Despite their substantive and theoretical importance, these questions have received only limited attention in the American politics literature. Most political scientists who study the politics of policy reform in the United States have focused on the logically prior question of how major general-interest reforms come to be enacted in the first place. The neglect of the second phase of reform is easy to understand. The first phase of reform typically involves the passage of major legislation. These public policy moves are ordinarily highly visible. When Congress adopts major reforms, it is front page news. But if the reforms are subsequently reversed or eroded in committee chambers, the story may get relegated to the back pages. In sum, important post-reform developments are relatively easy to miss.

A second important reason why scholars have focused on the first phase of reform is that they are drawn to the counterintuitive, and many reforms were
widely believed to have little chance of adoption either because they imposed tangible losses on entrenched clienteles, or because they attempted to impart a greater degree of instrumental rationality to governmental undertakings. The passage of these reforms would seem to contradict much conventional political science wisdom.

The orthodox view found expression in the work of political scientists like Theodore Lowi, Grant McConnell, and David R. Mayhew. In his classic 1969 book, The End of Liberalism, Lowi attacked the pluralists’ contention that interest group politics is an acceptable method of making public policy in a democracy. According to Lowi, policymaking by group struggle renders the government unable to achieve collective goals, leads citizens to expect too little from elected officials, and weakens democratic institutions. In a similar vein, McConnell’s 1966 book, Private Power and American Democracy, argued that interest group access undermines policy coherence and allows a privileged few to profit at the expense of the general public.

The argument of David R. Mayhew’s 1974 classic, Congress: The Electoral Connection, had a different cast to it. Part 2 of the book (arguably even more insightful than the better-known Part 1) offers a penetrating analysis of the policymaking distortions endemic to an individualistic legislature in the American constitutional setting. According to Mayhew, members of Congress (due chiefly to information costs and the fragmentation of political accountability) tend to be rewarded more for delivering particularized benefits, taking pleasing stands, serving the organized, and engaging in symbolism than for effective problem solving: “Electoral incentives will detour members into small-bore distributive politics and feckless position taking.” One of Mayhew’s more subtle points was that Congress is prone to incorporate popular understandings of means-ends relationships into laws (even when the public is misguided). Hence the congressional penchant for “blunt, simple” solutions (e.g., command-and-control pollution curbs) over less intuitive, expert schemes (e.g., emissions trading programs) that might be more effective. While Mayhew suggested that dissatisfaction with congressional performance often provokes reform efforts to make government more universalistic, efficient, and rational—countervailing mechanisms are a key part of his story—he implied that the “ambitious ‘public interest’ aims” of many statutes seldom will be accomplished.

The work of leading economists reinforced these pessimistic conclusions. In The Logic of Collective Action, Mancur Olson claimed that interest group politics undermines the public good. The key problem has to do with the incentives for participation. According to Olson, rational individuals have no incentive to join large groups seeking to promote broad public concerns since they recognize that their contribution will not affect a particular group’s chances of attaining its goals; moreover, if the group does succeed, those who did not join will benefit as much as those who did. The implication of Olson’s
analysis is that not all groups will be effectively represented in Washington. In particular, groups with relatively narrow interests will be much better represented than larger and more diffuse collectives, all else being equal. The process of partisan mutual adjustment, however valuable it may be in a heterogeneous society, will not ensure that the interests of average citizens will be represented. The general-interest can suffer even when public policies win adoption, generate supportive constituencies and pass constitutional muster.

Olson’s analysis provided a powerful explanation for a number of disturbing features of American governance, including the underprovision of public goods and the vulnerability of some agencies to interest group capture. To be sure, “public interest” lobbies like Common Cause were founded in the 1960s and early 1970s to counteract these unfortunate tendencies. But the creation of these associations was heavily subsidized by donations from foundations and wealthy patrons, who had absorbed Olson’s key lesson that organizations seeking to promote issues of broad public concern will have tremendous difficulty maintaining themselves if they must rely on the contributions of ordinary citizens. By the early 1970s, the received wisdom among social scientists and journalists alike was that clientele groups often get their way at the expense of the larger public and that Congress often produces laws that sound good but accomplish little.

But dramatic policy developments in the 1960s, 1970s, and 1980s challenged conventional wisdom about the power of narrow interests and the pathologies of governance. Congress enacted sweeping general-interest reforms in arenas ranging from taxation to transportation that intelligently addressed major national problems. These reforms upset many preexisting policy whirlpools and “cozy” subsystems. Many of the reforms reflected the sophisticated ideas of policy experts. This new view of American national government as responsive to dispersed interests and rational analysis provided a badly needed corrective to an older conception of policymaking as a giant pork barrel. To be sure, the political talents of policy entrepreneurs were often required to get the reforms onto the agenda. Under favorable political conditions, however, general-interest reforms could be adopted.

While some Chicago-school economists claim that the enactment of pro-competitive deregulation and similar laws does not invalidate group theory, properly understood, most mainstream political scientists and economists accepted that the reforms constituted a genuine puzzle to be explained. A provocative new political science literature emerged to account for the reforms’ surprising adoption. Martha Derthick and Paul Quirk’s important 1985 book, The Politics of Deregulation, placed ideas at the center of the story. Derthick and Quirk claimed that bold reform measures can be passed if leaders are able to link experts’ prescriptions for policy change to salient public issues. R. Douglas Arnold’s 1990 book, The Logic of Congressional Action, stressed the importance of anticipated public reactions. In an important re-
finement of Mayhew’s approach, Arnold argued that under certain special conditions even lawmakers focused on their own reelections will find it in their political interests to vote for general-interest legislation. Gary Muccaroni’s excellent 1995 book, Reversals of Fortune, demonstrated that government could impose losses on powerful producer groups. In a similar vein, Adam Sheingate’s insightful book, The Agricultural Welfare State, shows that farm subsidies are more vulnerable to fiscal retrenchment than previously thought.

Finally, Marc K. Landy and Martin A. Levin’s provocative edited volume, The New Politics of Public Policy, claimed that American national policymaking experienced a regime shift in the 1960s. As a result of changes in prevailing norms, institutions, and practices, old-style client politics had been thrown on the defensive. In his contribution to this volume, distinguished political scientist, James Q. Wilson, argued that the United States in the 1960s acquired a new political system, one in which major policy innovations could be enacted with greater ease than in the past. This new political system reflected the greater influence of expert analysis, the increased role of the courts in domestic policymaking, and the lowered cost of political mobilization due to technological advances. As Wilson put it, the American polity had been “rationalized in the sense that partial interests are now suspect and general-interests are thought paramount.”

In sum, general-interest reforms have served as the basis for broad generalizations about the fundamental character of policymaking in the American polity. What the recent literature on American national government has largely neglected to investigate, however, is what happens after the reforms are signed into law. That is the central purpose of this book.

REFORM SUSTAINABILITY AND AMERICAN POLITICAL DEVELOPMENT

To some extent, my analysis represents a return to the themes of classic works by scholars such as Grant McConnell, Theodore Lowi, Mancur Olson, and David Mayhew. Like these analysts, I claim that it is not easy for American government to promote the general-interest or for dispersed constituencies to shape policy outcomes, especially when such groups find themselves in a struggle with better-organized clienteles. Yet the remarkable public policy changes that caught the attention of prominent scholars like Derthick and Quirk, Arnold, and Wilson did occur, and are a vital part of my story. These sweeping policy reforms should not be dismissed as mere aberrations. The key question is not whether general-interest reforms can ever be passed (we now know they can be), or even how often policy reforms are adopted, but the conditions under which the reforms can be successfully consolidated. This book addresses
this critical question through a theoretically informed examination of canonic reform experiences in key areas of American national policymaking.

This study aims not to attack this recent line of scholarship, but just the reverse—to juxtapose U.S. policy reform experiences over time and across issue areas in order to promote knowledge accumulation. My major quarrel with the recent hopeful literature on general-interest reform adoption in the United States is that it takes a “snapshot view” of the reform process when what we really need, as Paul Pierson has persuasively argued, are “moving pictures.”37 The “new politics of public policy” literature appropriately emphasizes the fluidity and creativity of U.S. lawmaking processes and the potential for skilled policy entrepreneurs to make support for reform politically compelling. Yet it ignores or seriously downplays the historical and institutional obstacles to carrying out fundamental shifts in the larger political economy in which policy-making takes place. Reform is less a destination than a political journey. Scholars concerned about how, and how well, government works must pay far more attention to ongoing processes and dynamics.38 Only by examining policymaking developmentally will we be in a position to obtain an accurate sense of the possibilities and limits of broad-based reform efforts in American government. Only then can we grasp why sweeping reforms sometimes fall short of their impressive aspirations.

Comparative politics scholars seem to have absorbed this lesson far better than Americanists.39 When scholars examine the politics of governance in developing nations, in which millions of people live in dire poverty, it is impossible for them to be unaware of the gap between the government’s promises and performance.40 In the U.S. context, however, the unraveling of domestic policy reforms generally does not lead to such tragic consequences; it just causes our economic and political institutions to underperform relative to their potential. Because the consequences of democratic failure in the United States are less stark, they are easier for scholars to ignore. The lack of attention to the long-term consequences of U.S. domestic policy reforms may also reflect the American field’s high level of specialization. For example, students of Congress typically focus on committee assignments and the determinants of roll call votes, not on the requisites of policy sustainability.41 The result is an unfortunate tendency among many legislative specialists to conflate lawmaking with definitive and decisive public action.42 Implementation experts in the public administration subfield, for their part, do recognize that the game doesn’t end when laws are adopted. But these scholars mainly focus on the internal life of bureaus. They rarely study broader political dynamics or policy feedback mechanisms.

One place where U.S. policymaking is regularly examined from a developmental perspective is in the vast literature on the U.S. welfare state. Scholars have demonstrated that a deep understanding of the government’s role in providing and regulating social benefits requires close attention to the influence
of both political institutions and policy feedback effects. However, this political science literature focuses mainly on distributional issues: the level of social provision, and the degree to which benefits are targeted at the truly needy. These are obviously important questions in a democratic polity, and I touch on them in chapter 8 in my discussion of ERISA and the Medicare Catastrophic Coverage Act. Yet government exists to do more than impose distributive standards. It also supplies public goods, corrects negative externalities, and provides the institutional foundations that allow markets to function and create the economic growth that makes redistribution feasible. Economists study these questions, and they bring a welcome attention to the complex role of market forces (which many American Political Development [APD] scholars downplay or ignore). Yet many economists pay little attention to how policy choices reshape the capacities of government and the incentives and engagement of key political actors. This book seeks to bridge the divide between APD and policy analysis by using historical-institutional concepts to shed light on the politics of economic growth, deregulation, and market efficiency.

WHY STUDY THE EVOLUTION OF POLICY REFORMS?

Two compelling reasons for studying the evolution of general-interest reforms are to better understand the consequences of past reform efforts, and to improve the direction of public policymaking in the future. By examining the experience of prior reform moves, we can learn why some reforms have persisted while others have come undone. The analysis should also help advocates of general-interest reforms anticipate political sustainability problems at the early stages and so design against the problems for more durable reform legislation.

General-interest reforms do not fit easily into a conservative or liberal camp. The reforms often attract bipartisan support among policy elites—a rare occurrence in this age of ideological polarization. Conservative elites may support general-interest reforms because they wish to unleash market forces or discipline spending demands. Yet the same reforms may also draw support from liberal elites who seek to terminate unwarranted public transfers (sometimes called "corporate welfare") to privileged clientele groups who should not require governmental assistance. Just as both liberals and conservatives can find reasons to support general-interest reforms, so efforts to erode the reforms also can be a bipartisan affair. Liberal and conservative politicians may disagree about the appropriate scope of government, but both camps are equally adept at scrambling to protect powerful lobbies from losses come election time.

General-interest reforms are not about dismantling government programs per se. Nor, as I mentioned earlier, are they fundamentally about redistributing wealth from the rich to the poor (or vice versa). Rather, the reforms are about
promoting the general welfare. The policies often draw support from experts at both the Brookings Institution (a center-left think tank) and the American Enterprise Institute (a center-right think tank). While some intellectuals and critics of American democracy might argue that any policy idea that can attract support from across the ideological spectrum must be suspect, most citizens would disagree. The American ethos features support for both capitalist and democratic values. Americans expect government to permit competitive markets to function smoothly and to correct market failures and provide desired public goods. They want the government to solve real-world problems without making things worse. What they do not want are public policies that benefit the few at the expense of the many.

THE PLAN OF THE BOOK

The following chapters explore the limits and possibilities of general-interest reform in American government. Chapter 2 examines general-interest reform as a political project. After providing a more complete definition of reform, the chapter summarizes what political scientists and economists have learned about the politics of reform adoption. It then identifies both the generic threats to reform sustainability and the structures and processes that can render the reforms durable over the long haul.

Chapters 3 thru 8, the empirical heart of the book, examine seven major domestic policy reforms in American national government: tax reform, agriculture reform, two attempts to recast the American public/private welfare state (ERISA and Medicare Catastrophic Insurance Coverage Act), procurement reform, airline deregulation, and the cap and trade program to curb acid rain emissions. I discuss the reforms roughly in ascending order of their sustainability, beginning with a relatively clear case of reform erosion (tax reform), and ending with two instances of successful reconfiguration (airline deregulation and emissions trading). It must be stressed, however, that key parts of even the least sustainable reforms have endured, just as reforms that have largely stuck have failed to live up their expectations in some respects. These are very complex cases that require careful scrutiny.

A small-N comparative case approach is appropriate for an inquiry into the factors that influence reform sustainability. It permits a nuanced examination of the relationship between distinct configurations of ideas, institutions, and interests on the one hand, and reform outcomes on the other. Such causal-process observations are valuable in making inferences into the sources of reform sustainability because they permit exploration of the specific mechanisms that generate positive or negative feedback. While the number of reforms examined is much too small to permit rigorous quantitative analysis, the comparative case element of the research design permits comparisons to be drawn across multiple reform experiences and ensures that the findings
have at least some degree of generalizability. The case materials in fact offer more than seven opportunities to tease out the impact of key factors, because each of the major reforms under review has a number of components, and these components may each exhibit a different degree of sustainability. As Henry Brady, David Collier, and Jason Seawright emphasize, analytic leverage can derive from a close knowledge of cases and context because “subunits of a case may be very different from the overall case.” For example, we will find that some components of agricultural reform have been far more resilient than others, and that these patterns can only be understood by analyzing the complex impact of political institutions and policy feedback effects.

Each case-study chapter explores three sets of issues. First, I interrogate the pre-reform situation. I examine the substance and dynamics of policymaking in each arena, identify the groups that were advantaged or disadvantaged under preexisting arrangements, and try to explain why policy reform got on the policy agenda. Next, I examine the content of reform itself. I examine the supporters and opponents of reform, the compensation mechanisms or other tactics used to neutralize the opposition, and the expectations of key actors at the time of the reforms’ adoption.

The third and most important set of issues concerns the evolution of the reforms over time. I examine the extent to which each reform reconfigures policymaking dynamics. In particular, I examine whether the reforms generate changes in coalitional patterns, positive or negative feedback effects, and Schumpeterian “creative destruction.” The analysis attends to the role of elected officials, clientele groups, and market actors after enactment. Do they maintain their commitment to reform in the face of foreseeable (or unforeseeable) shifts in political or economic conditions? Did the interest groups hurt by the reforms accommodate themselves to the altered policies? Or did they attempt to push the government into reversing course and, if so, were they successful? Did new interest groups emerge in the wake of the reforms? Did they approve or disapprove of the new policy direction? Finally, did the reforms gather momentum and become politically self-reinforcing? Did they (in Orren and Skowronek’s formulation) successfully “preempt” skeptics, engage the opinions and values of the mass public, and cause policy elites to acknowledge “the rightness of what has occurred?”

Chapter 9 generalizes about the politics of reform sustainability. It summarizes common themes from the cases, teases out broader lessons for the study of public policymaking, and offers some practical suggestions for promoting reform sustainability.

THE CASE STUDIES

Because the case studies provide the empirical material for the analysis of reform durability, it is important to select them with care. I chose the cases for
several reasons. First, each of the cases is important in its own right. For example, procurement reform altered the way the federal government manages its relations with thousands of vendors and contractors who produce and sell the goods and services citizens receive in exchange for their tax payments, and airline deregulation profoundly changed how Americans travel for pleasure and business. The sample includes examples of reforms that have served as the basis for generalizations about the conditions under which American government can serve the interests of ordinary consumers and general taxpayers. If these reforms cannot endure, scholars may need to revise their beliefs about the performance of the American democratic polity.

Second, the cases were selected to represent a range of tools of government action, because it has been argued that different categories of tools create distinctive political and administrative consequences. The cases thus feature attempts to change patterns of taxation (tax reform), direct government spending (farm subsidies, the MCAA), and administrative or economic regulation (procurement reform, ERISA, airline deregulation, and the cap-and-trade program).

Third, while I was largely unfamiliar with the details of the various reforms before I began the project—and the details turned out to be crucial—I included cases that a general awareness of current events suggested have had very different political fates. Thus, the sample includes both reforms that have been repealed (e.g., cost sharing for Medicare catastrophic coverage) and reforms that have persisted (airline deregulation).

Fourth, the sample was constructed to include cases that vary according to the perceived costs of reform. My analysis thus draws on James Q. Wilson’s well-known typology for classifying policies. Wilson divides the world into four kinds of policies, based on the perceived distribution of their costs and benefits: “majoritarian politics” (when both the costs and benefits of a policy are widely distributed over many citizens); “entrepreneurial politics” (when society as a whole or some large part of it benefits from a policy that imposes substantial costs on some small identifiable group); “client politics” (when benefits are concentrated on some narrow group, but a large part of society pays the costs); and “interest group politics,” when a policy confers benefits on some relatively small identifiable group and imposes costs on another small equally identifiable group).

If the purpose of this book was to examine the development of public policies in general, the empirical analysis would have to examine clientele policies or interest group policies, which offer benefits to narrow groups. In fact, we already know that clientele policies (e.g., agricultural subsidies) tend to build powerful supportive constituencies and that interest group policies (e.g., OSHA regulations) can count on having the support of some organized lobby (though such policies will also typically draw protests from some other constituency). The central research question is whether policy reforms that are
perceived not to offer concentrated benefits can become entrenched over time. The sample includes reforms whose costs were perceived to be narrowly concentrated (tax reform, agricultural reform, airline deregulation, and a cap-and-trade program for acid rain emissions) and broadly diffused (procurement reform, beneficiary cost-sharing for Medicare catastrophic insurance, and ERISA).

While attention to tools and perceived costs offers certain insights, these factors turn out to be less helpful in explaining differences across the cases than one might predict. My central argument is that political fate of general-interest reforms turns on the nature of the reactions, adaptations, coalitional patterns, and investments the reforms generate from social actors. What kinds of institutional changes and policy feedbacks promote sustainability and what kinds lead to reform erosions and reversals? Chapter 2 examines this question.