

THE POLITICAL ECONOMY OF EXPERTISE

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Information and Efficiency in
American National Politics

KEVIN M. ESTERLING

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To my parents and stepparents

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Preface

WILLIAM REILLY [EPA Administrator]: I think, sir, we are undertaking something very ambitious and very innovative, and very novel here in many respects, and we don't want to screw it up. I think we want to do it right.

JOHN DINGELL [D-MI]: Right. I don't want you to screw it up.

—Hearings on the Emissions Trading Program, 1989

This is a book about the influence of policy ideas and public-interested expertise in U.S. lobbying politics. As such, this book is one attempt to address a major limitation in our understanding of contemporary politics: to date, political science has failed to articulate a coherent and compelling explanation of how and why democratic politics uses policy research and expertise as a way to produce public-interested legislation. Long ago, legal economist Richard Posner wrote,

A serious problem with any version of the public interest theory is that the theory contains no linkage or mechanism by which a perception of the public interest is translated into legislative action. In the theory of markets, it is explained how the efforts of individuals to promote their self-interest through transacting bring about an efficient allocation of resources. There is no comparable articulation of how a public perception as to what legislative policies or arrangements would maximize public welfare is translated into legislative action. (1974, 340)

My intent for this book is to develop, in the words of Posner, just such a “precise and hard-edged theory” (1974, 343) of how public-interest legislation develops and to demonstrate that such an expla-

nation is consistent with a wide range of observed practices of and outcomes from lobbying politics and the legislative process.

Specifically, I argue that under certain conditions, organized interest groups pressure Congress to use academic policy research and analysis to design public policies. Furthermore, interest groups tend to pressure Congress to enact those expert-informed policies that have a good chance of working well in practice and not to enact those policies that risk failure or entail too much uncertainty. The effect of these lobbying efforts is to further the public's larger interests by advancing policies that are effective, efficient, and well informed, but the public interest is largely a by-product of the process; interest groups organize this pressure for their own, private, or self-interested reasons.

This argument, while optimistic in tone, is not merely a set of aspirations for how interest groups ought to behave or what sorts of policies Congress ought to enact. Instead, in the pages to follow, I construct my argument in the "positive" tradition, where the conclusions follow from an underlying assumption that all political actors are pursuing their private self-interests. This is of course not to assert that legislators and lobbyists are motivated only by self-interest. Indeed, many of the prominent participants in U.S. legislative politics have substantive, professional, and intellectual interests in advancing good public policies. To the extent that this is true, I am glad to concede that my account understates the role of ideas in contemporary politics.

But it is interesting, possibly surprising, and even encouraging that one can focus on what are traditionally viewed as some of the most parochial organizations in the U.S. political system, especially interest groups and congressional committees, and can assume that these organizations are selfishly motivated, and yet the aggregate effect of their work still can be informative debates and enlightened legislation.

In this effort, I am able to articulate one possible mechanism—by no means the only conceivable mechanism—by which "a perception of the public interest is translated into legislative action," as Posner requires. Given the conclusions of my argument, which are largely optimistic, this book stands as a counterargument to many of the more familiar positive theories of regulation and public policy, such as the neoliberal Chicago school of economic regulation and political

science's rational choice blame-shifting and distributive theories of congressional behavior. These existing positive theories of legislation forcefully argue that the self-interested efforts of interest groups and members of Congress lead to inefficient policies that are contrary to the larger public interest. In these positive theories of politics, democracy is incompatible with efficiency, and legislators have no use for research-based expertise that serves larger public interests.

One may well question why political science needs yet another take on the nature of the U.S. legislative process. Indeed, these existing positive theories of politics are well reasoned and internally coherent; they state predictions that are consistent with a large range of legislative behavior; they are widely cited and, I believe, compatible with the skeptical and often cynical views of democratic government that, for better and for worse, are deeply embedded in our culture. All the while, Congress often fails to comply with the prevailing theoretical expectations of the standard literature on positive political economy. Congress from time to time develops major legislation that is thoughtful, well informed, efficient, and in the public interest. And because these existing positive theories can explain only democratic failure and inefficiency, they are largely unhelpful in developing explanations for why Congress sometimes chooses to use expertise on behalf of the public interest and why sometimes it does not. Explaining the variation in important political phenomena is—or at least should be—at the heart of any social science enterprise.

To distinguish my argument from these more familiar theories, I reexamine a variety of embedded and often implicit assumptions in these established positive theories of politics regarding such concepts as democratic representation, citizen knowledge, and interest group preferences and motivations. I focus on the variable effects of research-based information, debate, and cognitive framing on complex problem solving in the democratic system. As a consequence, I identify the conditions where my argument applies and where it does not. More importantly, within this framework, I explain the success and failure of public-interested expert ideas in politics, which is a very important component of the success and failure of contemporary democracy itself.

This book is a product of the dissertation research I undertook as a graduate student at the University of Chicago. To outsiders, the

concepts that appear in these pages may appear to be something of a social science grab bag. But this is a reflection of my training, as the University of Chicago embodies and institutionalizes interdisciplinary research in its best sense. For their help, patience, knowledge, and advice, I thank my dissertation committee members, Mark Hansen, John Padgett, and Cass Sunstein. I also thank those who commented on all or parts of earlier drafts: Scott Ainsworth, Frank Baumgartner, Chris Bonastia, Jay Hamilton, Marie Hojnacki, Bryan Jones, Howard Margolis, and Laura Stoker; my graduate school friends and current colleagues for many conversations that have produced much of what I know about political science and the political economy of expertise: Michele Berger, Rob Boatright, Tom Burke, Carol Caronna, Dan Carpenter, Nancy Crowe, Brian Finch, Ted Gayer, Zoli Hajnal, Michael Heaney, Yoi Herrera, Karen Hoffman, Ann Keller, Andy Kydd, David Lazer, Taeku Lee, Beth Leech, Doug Miller, Mike Neblo, David Peritz, Dean Spiliotes, Albert Yoon, and Kuba Zielinski; participants in the American Politics Workshop and in the Organizations and State Building Workshop at the University of Chicago for helping me develop my research; David Shaffer, a statistics student of mine at Dartmouth College, for very helpful research assistance; and my early influences who introduced me to the study of political philosophy and political science at my undergraduate institution, the University of Virginia: Michael Brint, Charles Jones, William Lee Miller, and Tim O'Rourke.

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Finally, much of this book refers to “socially efficient” policies and in particular “market oriented” policies. If the reader has little or no familiarity with this research-based form of public policy intervention, I recommend reading chapter 5 first.

Abbreviations

The following list identifies the groups testifying in the areas of acid rain, school choice, and HMOs.

Acid Rain

AEP	American Electric Power
AES	A. E. Staley Manufacturing
AGA/INGAA	American Gas Association/Interstate Natural Gas Association of America
APPA	American Public Power Association
CFA	Consumer Federation of America
EI	Edison Electric Institute
ELCON	Electricity Consumers Resource Council
NARUC	National Association of Regulatory Utility Commissioners
NCA	National Coal Association
NCAC	National Clean Air Coalition
NIEP	National Independent Energy Producers
NRDC	Natural Resources Defense Council
NRECA	National Rural Electric Cooperative Association
OCC	Office of Ohio Consumers' Counsel
PSCI/ICARE	Public Service Commission of Indiana
PUCT	Public Utility Commission of Texas
UMW	United Mine Workers
VEPCO	Virginia Power/Dominion Resources
WFA	Western Fuels Association

WPPI Wisconsin Public Power Incorporated

School Choice

AFT American Federation of Teachers
CCSSP Council of Chief State School Officers
LDF Legal Defense Fund of the National Association for
the Advancement of Colored People
NAB National Alliance of Business
NSBA National School Boards Association
PTA National Parent-Teacher Association
USCC U.S. Catholic Conference

HMOs

AFL-CIO American Federation of Labor and Congress of
Industrial Organizations
AMA American Medical Association
ANA American Nurses' Association
GHAA Group Health Association of America
HIP Health Improvement Plan of Greater New York