

Different policies have different politics: One perspective

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Concentrated Costs	Redistributive “wilderness designation”	
Distributed Costs		

Theodore Lowi, “Four Systems of Policy, Politics and Choice”

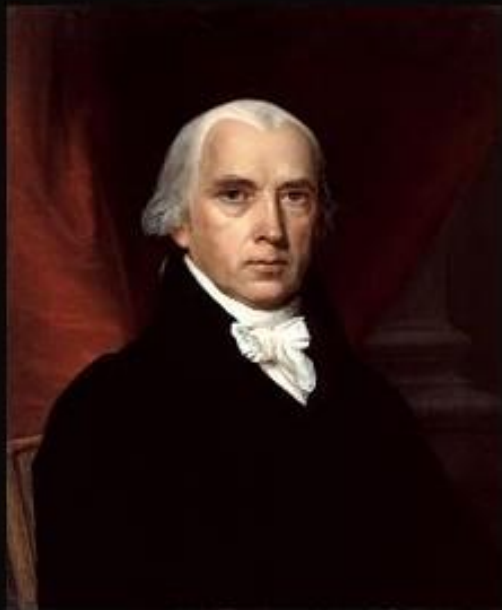
Different policies have different politics: One perspective

	Concentrated Benefits	Distributed Benefits
Concentrated Costs	Redistributive “wilderness designation”	Regulatory “pollution”
Distributed Costs	Distributive “farm subsidies”	Majoritarian “tax rates”

Theodore Lowi, “Four Systems of Policy, Politics and Choice”

James Madison and Climate Change





If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.

(James Madison)

izquotes.com

- James Madison's political ideas can help us evaluate policy solutions today
- Broader point – policies should be designed for effect. Intent alone won't get you there

Fed. 51

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2. Design government to align pursuit of self interest and the public good
 - “ambition counteracting ambition”

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Corollary:

Policies that are probably not sustainable if they depend on altruistic (angelic) behavior

Not sustainable because....

- Passing a law is just the first step.
- Policies need ongoing political support
- Self interest (often economic) dictates who stays involved and who policymakers respond to over the long run

Many examples of unsustainable policies!

- Created to serve the public interest; end up failing, or even worse
- Savings and Loan Crisis



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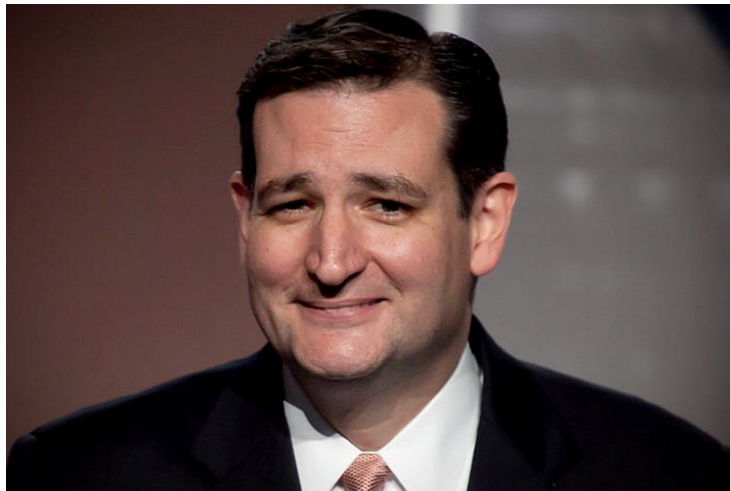
\$160 Billion Taxpayer Bailout!



Sustainable policies are possible: The genius of Obamacare

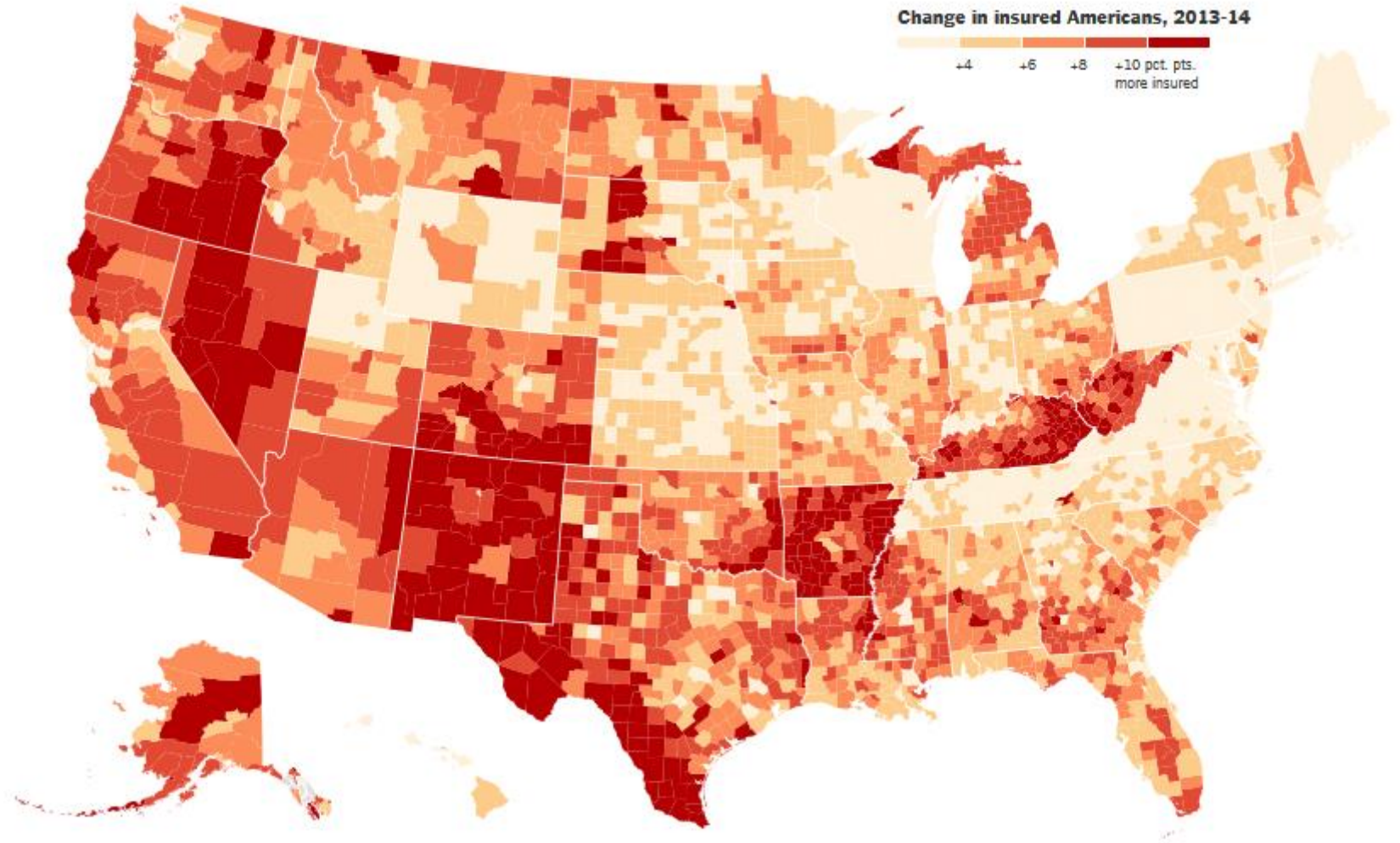
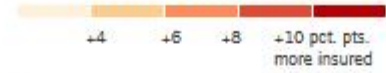
“The administration’s plan is very simple: Get everyone addicted to the sugar so that Obamacare remains a permanent feature of our society.”

Ted Cruz



*see also, Social Security, Medicare, Tax cuts

Change in insured Americans, 2013-14



http://www.nytimes.com/interactive/2014/10/29/upshot/obamacare-who-was-helped-most.html?hp&action=click&pgtype=Homepage&module=second-column-region®ion=top-news&WT.nav=top-news&_r=0&abt=0002&abg=1



Interesting article about political strategy related to Climate Change

<http://www.nytimes.com/2014/10/28/science/naomi-oreskes-imagines-the-future-history-of-climate-change.html?ref=science>

Climate change?

- Let's assume that human emissions are an important contributing factor to warming of atmosphere and ocean acidification

Climate change?

- Let's assume that human emissions are an important contributing factor to warming of atmosphere and ocean acidification
- What are some possible policy responses?
- Are those responses likely to be both effective and sustainable? (sustainable but ineffective policies are easier)

1. Emissions reductions

- All nations agree to reduce their emissions by a substantial amount. Sustainable?
- “Tragedy of the commons”
 - If other countries comply, we are better off not complying
 - If other countries don’t comply, we sure don’t want to comply
- How to make ‘comply’ better for nations than ‘not comply?’

1. Emissions reductions

- All nations are required to reduce their greenhouse gas emissions by a significant amount.
- “Tragedy of the commons”
 - If a country complies with the protocol, it will incur a cost.
 - If a country does not comply, it will incur a cost.
- An emissions reduction is better than not complying?



Alternative energy

- Requires substantial research investment to be cost effective.
- “Free rider problem”
 - R & D costs are concentrated while benefits are shared
 - Why should I invest if the benefits will be distributed?
- How to ensure that innovation is rewarded? Or upfront costs are shared?

Energy Conservation

- Create local incentives to reduce energy consumption (and therefore emissions).
- Solar energy buyback programs
 - (Organized) energy industry opposes program
- Who has an incentive to fight for buyback programs?
- Other (more sustainable) conservation programs?

Adaptation

- Respond locally to effects of climate change, such as seawalls in NYC or sustainable agriculture
- Benefits are local, both in terms of protection and jobs. Might be sustainable and effective.
- But significant 'externalities.' Only some can afford to do it

Adaptation

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The point is....

- Mobilizing support to pass a policy is not enough
- Effective policies require publics that support them over the long term.
- If not, the cure may be worse than the disease
- Need to think about this when designing policies!

Cap and Trade

