



## American Politics in the Age of Ignorance

**David Schultz**, Hamline University

Justice Louis Brandeis once described the American states as “laboratories of democracy.” If laboratories are supposed to uncover new facts, test hypotheses, and discover new solutions to problems, states often fall short of that definition. Ideally, states would experiment and learn from one another, producing tested policies that can effectively address pressing issues. Yet the reality is that policymakers lack the information and the support needed to make optimal decisions, and they have strong incentives to make weak ones. As a result, state governments – and their local and federal counterparts, too – are more often factories of replication than laboratories of democracy.

### Far from Ideal

There is a classic, ideal model of policy making that is indebted to economics and science. It assumes that policy choices are the products of a rational and empirical decision-making process. This process consists of gathering and evaluating information, using that information to define policy choices, and ranking those policies to find the one that best satisfies the preferences of stakeholders. Participants are assumed to be rational actors who have unlimited information and time to act, and who face no costs surrounding the making of choices. In this theoretical model, the policies chosen are expected to be optimal and efficient, and policymakers should be able to make large-scale policy reforms to respond to major problems and policy failures.

Scholars have shown that real decision-making is different. In real decision-making, policymakers have limited knowledge and limited time. Activities like gathering information and taking part in negotiations have costs. It is difficult to create a consensus for major policy change, so incremental changes – or no change at all – are nearly always the outcomes of policy debates, even if a policy is broadly perceived as failing.

Policymakers are often under pressure to innovate. But while innovation is predicted by the model, it is all too rare in the real world. Many legislators are part-time and lack the technical skills necessary to digest social science or scientific data. They may not even know such data exists. Legislators have complex incentive systems, too, and must deal with interest groups and political pressures. The type of evidence legislators respond to is often anecdotal constituent stories, perhaps the least reliable form of data available. Rushed for time and lacking research staff, policymakers frequently adopt policies enacted elsewhere, rarely asking whether or not they actually worked in their original contexts and whether they transplant well to a new one.

### Legislators are Captured by Failed Public Policies and Myths

The policy-making process is often captured by failed public policies and political myths. Failed public policies are those proposed and enacted again and again and which repeatedly fail, even though there is substantial research indicating that these policies will not work, or at least not secure their stated aims. Political myths are

ideas which, like folk legends, are often repeated or held up as true, even though there is no hard evidence to support them, or worse, data contradicting them.

My book, *American Politics in the Age of Ignorance*, catalogs several failed public policies and political myths and explains their impact on American public life. Failed public policy ideas include term limits, abstinence-only sex education, mandatory minimum sentences, and three strikes criminal penalty laws. Examples of political myths include powerful but empirically discredited ideas about immigration, welfare migration, and voter fraud.

At the top of any list of failed policies is government tax incentive that states and municipalities use to convince business to relocate. The literature is clear – tax breaks to encourage business relocation are economically inefficient and wasteful. Hundreds of studies reach this conclusion. The same is true of enterprise zones. Yet the policies are replicated time and time again.

A related political myth is the idea that lower taxes bring higher economic growth. Historical evidence tells a different story. Tax increases have not been associated with significant decreases in growth. As the Great Depression was ending, corporate and individual taxes rates increased but the nation's Gross Domestic Product (commonly called GDP) grew by 17%, 11%, and 14% annually. In the 1960s, top corporate tax rates climbed to over 50% and top marginal tax rates on the richest individual reached as high as 91% with no discernible pattern associated with decreased economic growth.

Tax cut increases are not associated with lower growth, either. In 1981, the Kemp–Roth tax bill decreased taxes for many Americans, especially those at the higher end of the income spectrum. In 2001 and 2003 came another set of major tax cuts. But there is no real indication that the economy grew more rapidly in those in era following those cuts than in other times with significantly higher tax rates. Overall there is almost no connection between tax rates on corporations and the wealthy and economic growth in the United States.

## How Can We Improve the Policy Making Process

Governments can make wise policy choices. But many factors and forces prevent them from engaging in evidence-based policy making. Researchers and public officials have contrasting views about what counts as persuasive evidence – and convincing public officials to adopt the standards of researchers may be impossible. But another part of the problem arises from the political pressures and uncertainty policymakers operate under every day. Reforms such as addressing the role of money in politics and interest group pressure are needed to help officials develop better policy. But, in addition, better institutional mechanisms, such as strengthening research staffs, educating policymakers, and enhancing the ability of academic researchers to communicate to public officials about relevant research, need to be developed.

**Read more in David Schultz, *American Politics in the Age of Ignorance: Why Lawmakers Choose Belief over Research* (Palgrave Macmillan, 2012).**