

Chapter 2 Contexts of Public Policy

Learning Objectives

- Define each of the five contexts of public policy making.
- Apply each of the five contexts of public policy making to a given policy arena, for example, civil rights or the environment.
- Discuss intergovernmental relations: What they are, who participates in them, why they are important and what impact the different forms of funding have on them.
- Define Federalism and discuss how it has changed over time as well as the current trend and the importance of the current trend to contemporary policy making.

Overview

I. Contexts of Public Policy.

Public policy-making takes place within the general social, political, and economic environment. This chapter examines public policy making through the lenses of the institutional context, the economic context, the demographic context, the ideological context and the cultural context.

II. The Institutional Context.

There are lasting structures in the American political system (e.g. federalism, the party system, the power of the presidency, and the system of checks and balances) that impact public policy. Additionally, a serious distrust of institutions, particularly political ones, is now endemic in the American electorate. Young people are even more disengaged from the civic and political life of society their elders.

Intergovernmental relations refer to the links between the national government, the states, and local governments, as well as the interactions between and among states and local governments. Controversies about which level or levels of government are most appropriate to address particular issues give rise to the need for intergovernmental relations. Most intergovernmental relations are vertical as in the relationship between federal, state and local governments however *Interstate compacts* are examples of horizontal intergovernmental relations.

The federal system established by the U.S. Constitution ensured both the need for interaction among governmental units and flexibility in those interactions. Federalism is a middle ground between a unitary system of government and a confederation. The principal issue in federalism is what role each level of government should assume. Another concern is what level of government should control program implementation.

Many national government programs are created to stimulate states or local units to take action in areas in which they have been reluctant to do so. They also may be applied where there are great inequities among the states or localities. This is typically done through two funding mechanisms. Most federal funding has been in the form of *categorical grants* in which money is provided for a specific project with stipulations on

exactly how the money can be used. Fewer restrictions are attached to *block grants*, which give money to state or local units for general purposes instead of a specific project. Another form of funding is *General revenue sharing*, which refers to the transfer of money from one level of government to another with little or no restriction on its use. Unfunded mandates are requirements imposed on state and local governments with no national government funding to implement them.

Numerous groups or special interests participate in intergovernmental relations. The executive branch of government and the courts are significant actors in the process as are state and local government officials. In addition the recipients of services under intergovernmental programs often participate in intergovernmental policy development. The American Council on Intergovernmental Relations (ACIR) studies and reports on intergovernmental issues and recommends improvements.

Intergovernmental relationships developed slowly during the first century and a half of the nation's history because of the rural nature of the country and relatively uncomplicated nature of the responsibilities of the national government and the states. In the late nineteenth century, intergovernmental relationships began to develop more formally and from the 1930s onward changes occurred much more rapidly than they had in the past.

The emphasis in intergovernmental relations is often on fiscal relationships, but there are other forms of interaction as well. Intergovernmental relations include regulations and voluntary cooperative efforts.

Four types of *regulations* that are part of intergovernmental relations: direct orders, cross-cutting requirements, crossover sanctions, and partial preemption. *Direct orders* either prohibit or mandate state and local government actions. *Preemption* is a form of direct order that imposes requirements or prohibitions on states or local governments. *Cross-cutting requirements* are those in which a condition in one law is applied to all programs using federal funds. *Crossover sanctions* are sanctions applied to one area or activity for failure to comply with certain conditions in another area. *Partial preemption* refers to situations in which the national government requires or permits states to administer policies as long as the states meet federal criteria for the program.

States and local governments have grown as the national government has expanded its involvement in domestic policy issues. The result has been more and more intergovernmental activities and a more complex web of relations. Administrative problems are seen in disputes in interpreting program criteria and rules and regulations which take a long time to resolve, and conflicting rules and regulations and duplication of effort. By giving state and local officials more discretion in the structure of their programs block grants and general revenue sharing should subject funding to fewer restrictions but conflicts develop within the state block-grant administrative agencies.

In granting money to other units of government, the national government tries to see that the money is used properly and for beneficial programs and so monitoring becomes important. It is the goal of monitoring to reduce overlapping projects and ensure that one project does not work at cross-purposes to another to create taxpayer cost savings through increased efficiency but there is no hard evidence that such objectives are met.

With grants, state and local levels are never certain what amount of money is going to be available from year to year. This uncertainty in the level of funding makes it

more difficult for them to plan their own activities and budgets. Block grants and general revenue sharing combined with the recent cuts in domestic spending have had several effects on state and local governments. State and local units are faced with absorbing the costs of many programs if they are to continue to provide services. The shift to block grants increased the internal competition for funds in state governments and the states are themselves now using the block grant approach to fund many programs.

Federalism continues to evolve as differing demands are made on the political system; that there will be changes in federalism, but the directions of those changes are subject to debate. Issues in the debate revolve around which levels of government have particular powers and how those powers are exercised. The argument about which level has what powers arises as the national government adopts policies or implements decisions on any number of issues. The trend in the courts until the 1990s had been a centralizing one toward the federal government but since then the trend has moved towards decentralization and state and local governments. The National Governors Association, the Conference of State Legislatures, and the American Council on Intergovernmental Relations believe that the roles of the national government and states can be better defined but neat divisions are unrealistic.

The trend toward fewer real dollars in grants is not likely to be reversed, especially with the renewed federal deficit pressures. As a result, there will be fewer dollars for state and local units to share and competition for those dollars is bound to increase. Block grants appear to be popular with the general public and with state officials because they imply few strings but they are ineffective in pressuring Congress to sustain these programs. Categorical grants most likely will continue to be the most significant element of the fiscal relationship, because the interests affected by them often are strong and can influence Congress when cuts are contemplated. Categorical grants account for about 90 percent of grant funds.

III. The Economic Context

Confidence has waned that the economic pie is indefinitely expanding, and the question of how to manage scarce resources and to distribute them fairly occurs more frequently. Young males and single females, young families, and older blue-collar workers face a highly uncertain economic future. Economic trends have an impact well beyond strictly economic issues influencing education, health policy, and foreign policy for example.

IV. The Demographic Context

The generational, racial, and residential characteristics of a nation's population change constantly, reflecting new trends in birthrates, life expectancy, job opportunities, and migration patterns. Some of these trends directly affect policymaking. Generational considerations were much in evidence during the 2005 debates over Social Security reform and public policy in a number of areas will also have to respond to changes in the racial mix of the population. Changes in marriage and family life also have had a major impact on policy. Finally, shifts in population from large urban centers to rural, suburban and small urban areas are reflected in voting patterns and will impact public policy.

V. The Ideological Context

Public policy is a field of debate over the meaning of basic values and principles. Ideological perspectives on American public policy have always ranged along a spectrum, however, *conservatism* and *liberalism* have dominated policymaking and evaluation in America.

Issue definition is not a neutral, apolitical process. The definition of a policy problem is always a matter for disagreement among people of competing beliefs and principles. Ideology is very much involved in the cultural changes sweeping American society.

VI. The Cultural Context

Culture refers to the patterns of fundamental beliefs, principles, traditions, and social assumptions that characterize a society. Demographic changes and ideology impact attitudes toward culture and cultural conflict can be observed in many policy issue debates.

Outline

Contexts of Public Policy

The Institutional Context

Intergovernmental Relations

- Interstate compacts

- Unitary System

- Confederation

- Sovereignty

- Federalism

Issues in a Federal System

- Forms of funding

- Block grants

- General revenue sharing

- Unfunded mandates

Participants in Intergovernmental Relations

- Horizontal and vertical

Contemporary Intergovernmental Realities

- Interaction and flexibility

Forms of Intergovernmental Interaction

- Federal, State, Local Governments and Special Interest

- Groups Participate.

- Regulations

- Grants

Changing Intergovernmental Relations

- Administration Problems

- Finances

Whither Federalism?

- Federalism middle ground between unitary and confederate forms of government.

- Centralization versus decentralization

The Economic Context

Economic issues influence education, health policy, and foreign policy.

The Demographic Context

Shifting generational, racial, and residential characteristics impact policy making.

The Ideological Context

Issue definition is often a debate over the meaning of basic values and principles.

Conservatism, liberalism, neo-conservatives, New Right, progressives, Feminists, Libertarians, communitarianism

The Cultural Context

Demographic changes and ideology impact attitudes toward culture and cultural conflict can be observed in many policy issue debates.

Critical Thinking Questions for Class Discussion

- What do you think made Timothy McVeigh so angry that he and others carried out the attack on the Oklahoma Federal Building? Why?
- Was it good public policy for the federal government to bail out Chrysler and GMAC auto companies and not other failing corporations?
- Was ineptness of the federal effort to respond to the gulf region in the aftermath of Hurricane Katrina due to poor policy implementation or problematic because of the lack of resources available?

Lecture Launchers

- Select one of the “contexts of public policy.” Trace its influence in three of the policy areas discussed in later chapters.
- Consider the demographic, economic, ideological, and cultural contexts. Which of these exerts the greatest influence across the widest range of public policies?
- Discuss how you think the economic context impacts policy making in higher education at your school.
- Think about the ebb and flow of Federalism. Do you favor a strong centralized federal government or a more decentralized form of Federalism where decision making and fiscal responsibilities lie more with the states and local governments? Why?

In Class Activities

- Select a current public policy issue, break the class into 5 groups, and assign each group a context (Institutional, Economic, Demographic, Ideological and Cultural). Have them discuss and report out how the public policy issue is defined and addressed by their context.

Web Links

American Council on Intergovernmental Relations
<http://govinfo.library.unt.edu/amcouncil/index.html>

Communitarian Network
www.gwu.edu/~ccps/index.html

Council of State Governments
www.csg.org/default.aspx

Family Facts
www.familyfacts.org/

National Association of Counties
www.naco.org

National League of Cities
www.nlc.org/

New York Times
www.nytimes.com

Pew Forum on Religion and Public Life
<http://pewforum.org/>

Public Agenda
<http://www.publicagenda.org/>

Urban Institute's New Federalism Page
<http://newfederalism.urban.org>

Washington Post
www.washingtonpost.com

Instructors Resources

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Berman, David. *State and Local Politics*, 9th ed. Armonk, NY: Sharpe, 1999.

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- Dinan, John and Krane, Dale. "The State of American Federalism, 2005: Federalism Resurfaces." *Publius*, 36(3): 327-274.
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Test Questions

Multiple Choice

1. The ideological spectrum in America in the last two decades has become:
 - A. more conservative
 - B. less polarized
 - C. more liberal

Answer: A

2. In the United States, responsibility for national defense lies primarily with
 - A. the individual states.
 - B. the federal government
 - C. local governments
 - D. international governmental organizations (IGOs)

Answer: B

3. Which is NOT a more or less constant contemporary “policy context” in the United States?
 - A. government structures
 - B. environmental issues
 - C. economy
 - D. cultural changes

Answer: B

4. Interstate compacts are examples of horizontal intergovernmental relations. Which of the following is NOT an interstate compact?
 - A. No Child Left Behind
 - B. Colorado River Authority
 - C. Delaware River Basin Compact
 - D. Education Commission of the States

Answer: A

5. The average American is becoming:
 - A. younger
 - B. older
 - C. more liberal
 - D. more traditional
 - E. submissive to authority

Answer: B

6. With respect to the institutional context of American policy, it can be said:
- A. the federal system affects formulation of policies
 - B. the presence of the federal government has expanded in many areas of life
 - C. public distrust of American institutions has grown
 - D. all of the above

Answer: D

7. Which federal funding mechanism has resulted in states going to court to fight the federal government?
- A. General revenue sharing
 - B. Categorical grants
 - C. Unfunded mandates
 - D. Block grants

Answer: C

8. Which of the following is NOT related to the demographic context of public policy?
- A. Population movement from the East and North to the West and South
 - B. Psychic and social stress caused by the break down of the traditional family.
 - C. Globalization.
 - D. The aging of the population.

Answer: C

9. Which of the following demographic characteristics have resulted in changes in public policy?
- A. The increase in the Hispanic proportion of the population
 - B. The children born during the “baby boom”
 - C. The high-rate of single-parent families, mostly-female head homes
 - D. All of the above
 - E. none of the above

Answer: D

10. Among the alleged problems in American federalism are:
- A. red tape
 - B. unfunded mandates
 - C. distortion of state/local priorities
 - D. all of the above
 - E. none of the above

Answer: D

11. Which of the following is part of the institutional context of American public policy?
- A. Limited Government
 - B. Two-party system
 - C. Federalism
 - D. All of the above
 - E. None of the above

Answer: D

12. Which is NOT true of the legislative trends due to the changing population trends?
- A. The South & West gained 40 seats in Congress between 1980 and 2000
 - B. The large urban centers of New York, Baltimore, Chicago & Cleveland have experienced declining population
 - C. The North & Northeast have gained congressional seats
 - D. Voting patterns reflect demographic changes

Answer: C

13. Which culturally attitude is NOT perceived as being an issue by conservatives and Communitarians:
- A. Television and movie portrayals
 - B. Increased acceptance of abortion, pornography and sexual promiscuity
 - C. Traditional American values
 - D. The role of women in the workplace and in public life

Answer: C

14. During the 1990s, federal government transfers of money to the states
- A. grew rapidly
 - B. declined rapidly
 - C. remained the same
 - D. grew slowly
 - E. the federal government does not transfer money to the states.

Answer: A

15. Prior to 1930, poverty was not seen as a problem, but was viewed as an inevitable social condition. T/F
- A. True
 - B. False

Answer: A

16. Within the U.S. federal system, the responsibilities state and national government have varied. The national government increased its responsibilities for domestic policy _____
- A. steadily since the beginning of our government
 - B. primarily in the 18th century
 - C. primarily in the 19th century
 - D. primarily in the 20th century
 - E. primarily in the 21st century

Answer: D

17. The distrust of American political and social institutions is NOT related to the _____
- A. Vietnam War
 - B. political scandals in recent decades
 - C. 9/11 Terrorist Attacks
 - D. doubts about the performance of large national government

Answer: C

18. Federal and confederal are terms that mean the same thing. T/F
- A. true
 - B. false

Answer: B

19. The ideological movement known as "Libertarians" is committed to which of the following?
- A. oppose restrictions on sexually explicit speech
 - B. conservative economic agenda
 - C. liberal social agenda
 - D. all of the above
 - E. none of the above

Answer: D

20. According to the text, which of the following is the main actor in intergovernmental relations?
- A. executive
 - B. courts
 - C. congress
 - D. Federal Reserve Board
 - E. recipients of services

Answer: C

21. Conservatism today includes which of the following:

- A. Neo-conservatives
- B. the Tea Party
- C. New Right
- D. all of the above
- E. none of the above

Answer: D

22. Which of the following is NOT an emphasis of the Communitarian movement?

- A. community policing
- B. family restoration
- C. national security
- D. education reform
- E. local neighborhood revitalization

Answer: C

23. Today ideological groups, such as liberals and conservatives, are more internally fragmented than in the past. T/F

- A. true
- B. false

Answer: A

24. Factors that have contributed to the decline of the American public's trust of government institutions are

- A. budget deficits.
- B. Watergate and Vietnam.
- C. corruption scandals.
- D. all of the above.

Answer: D

25. Which one of the following is NOT one of the four types of regulations that are a part of intergovernmental relations?

- A. direct cuts
- B. direct orders
- C. cross-cutting requirements
- D. crossover sanctions
- E. partial preemption

Answer: A

26. "Intergovernmental Interaction" includes which of the following?
- A. regulations
 - B. partial preemption
 - C. cross-cutting requirements
 - D. all of the above
 - E. (a) and (c) only

Answer: D

27. In the ideological context of public policy which is true of conservatives?
- A. They tend to have a deeper commitment to equality than do liberals.
 - B. They tend to value civil and personal freedoms more than liberals.
 - C. They are more ready to limit economic freedom.
 - D. They are committed to tradition and authority.

Answer: D

28. In the ideological context of public policy which is true of Communists and Socialists?
- A. They stress fundamental change in the social and economic system.
 - B. They are committed to tradition and authority.
 - C. They support traditional family values.
 - D. They are considered the "radical right".
 - E. All of the above

Answer: A

29. Which of the following is NOT an important contextual factor in the development of American public policy in the past 10 years?
- A. economic uncertainty
 - B. immigration
 - C. the increase in Marxist attitudes in the public
 - D. the increase in conservative attitudes

Answer: C

30. Which form of funding gives money to state or local units for general purposes instead of for a specific project?
- A. general revenue sharing
 - B. block grants
 - C. unfunded mandates
 - D. private funding

Answer: B

31. Today the Democratic and Republican parties are more internally fragmented than in the past. T/F

- A. true
- B. false

Answer: A

32. Federalism is

- A. a unitary system of government
- B. a confederate form of government
- C. both A. and B

Answer: C

33. Opponents of shifting responsibility from the federal government to the states argue that

- A. States will be equally sensitive to issues such as equity, fairness and civil rights
- B. States are not likely to have the resources to fund the programs
- C. States may not always be inclined to continue programs
- D. B & C only
- E. All of the above

Answer: B

34. The threat from the federal government to withhold federal funding from states for failure to comply with certain conditions on a federally funded program is called

_____.

- A. Partial preemption
- B. Cross-cutting requirements
- C. Crossover sanctions
- D. Direct Order

Answer: C

35. Budget deficits were eliminated in 1990's under which administration?

- A. President Clinton
- B. President George H.W. Bush
- C. President Gerald Ford
- D. President Ronald Reagan

Answer: A

36. Economically challenging times exacerbated racial tension and affect the controversy over affirmative action and immigration

- A. True
- B. False

Answer: A

37. The population that will be sixty-five and older is increasing at twice the national population and will reach _____ percent by 2030.

- A. 12
- B. 50
- C. 25
- D. 20

Answer: D

38. Although Hispanics share many of the same problems experienced by African-Americans, they also must deal with _____.

- A. Poverty
- B. Racial discrimination
- C. Language and culture
- D. Anti-immigration sentiments

Answer: C

39. The difference in family life of the college-educated and affluent compared to lower income families includes

- A. Marriage
- B. Living together
- C. Out of wedlock children
- D. Homeownership
- E. B and C

Answer: E

40. The New Right is mostly concerned with

- A. Same-sex marriage
- B. Income distribution
- C. Government economic action
- D. None of the above
- E. All of the above

Answer: A

Essay Questions

- Compare and contrast the ideological and cultural contexts of public policy. Demonstrate their influence in two different policy areas.
- Which of the populations changes discussed within the demographic context is likely to exert the most influence over the next ten to 15 years? Why?
- Pick a policy area that has particular importance to you and discuss how you see intuitionism playing a role in policy making that area
- How has Federalism changed over time and what directions is it currently moving in? Do you think this good or bad? Why?
- Given that National Guard are under the jurisdiction of the state government, under what authority can the President send the National Guard unit to Iraq and Afghanistan? Why did the President need to call up the guard? Are the governors pleased that their guard units are not available to handle local emergencies?
- What potential violations of civil rights does Arizona SB1070 law appear to take on? Does the state have jurisdiction to detain and arrest illegal immigrants?
- Governor Sarah Palin emerged as the vice-presidential candidate with Senator John McCain during the 2008 election. How would you categorize her political philosophy? What types of citizens compose her constituency?