Heidenheimer

A List of Figures

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THE POLITICS OF SOCIAL CHOICE

Comparing public policies is a part of everyday life. At election time we often compare one candidate's or party's stands on given policy questions with those of another. We move from one state or city to another and observe how high taxes are here compared to there. We move from cities to suburbs and compare carefully which area has the best schools, the safest streets, or the cleanest environment.

These everyday comparisons of public policies have one important thing in common with more systematic efforts at comparative policy analysis. Both informal and formal approaches seek a deeper understanding than could be gained by looking at only one thing at a time. As Clifford Geertz has observed, "It is through comparison (and comparison of incomparables) that whatever heart we can get to, can actually be reached" (Geertz, p. 233). By assessing one situation against another, we gain a better perspective on our current situation as well as the options and constraints we face. In short, we learn through comparing.

While everyday comparisons generally serve some personal end, the academic study of comparative public policy has a broader agenda. There are basically three reasons for engaging in a systematic comparison of public policies. One aim is to look for guidance in designing better policies. The fact that different countries often adopt alternative strategies for dealing with similar problems represents a kind of natural experiment. Careful comparative research can begin to disentangle those results that may be due to unique circumstances from those that are more generally relevant to other countries. For example, all the developed nations received severe economic shocks from the oil-price increases of the 1970s; however, some nations seemed to handle the strains with less inflation and unemployment than did others. Why? Comparing different ways of coping with similar problems can suggest both positive and negative lessons—guidance on what to do and also what *not* to do. Even if there are no direct lessons, policy comparisons will often throw light on hidden assumptions operating within one's own country and thus alert the observer to latent opportunities and constraints that would otherwise go unrecognized.

A second aim in comparing public policies is to gain a deeper understanding of how government institutions and political processes operate as they deal with concrete problems. The classic questions of politics remain the same: Who governs? How do they govern? What are the results for citizens' lives and welfare? Today the raw material for addressing these questions is increasingly to be found in the expanding policy activities of government. To examine who governs, it is not enough to know who votes or who is elected to office. One must also know what people in government and at its fringes are actually doing to make and remake public policies. As the scale and activities of government have grown, more and more of this "doing" takes the form of making and remaking public policies. One indicator of this growth in scale is that the proportion of gross domestic product passing through the public sectors of the world's nations had risen from about 2 or 3 percent in 1900 to about 30 to 45 percent by 1980 (Deutsch in Dierkes et al).

The third reason for studying policies across national boundaries lies in the growing interdependence that is a hallmark of our times. Problems such as the environment or economic management frequently spill over national borders. Policy strategies adopted in one country often have important impacts on policy-making in other countries. To function successfully in this interdependent world, we need to understand the different problem-solving approaches that nations adopt and the ways they interact with each other.

Hence, comparative policy analysis occupies a middle ground between "pure research" of a theoretical nature and "applied science" directed toward the nuts and bolts of detailed problem-solving. The study of comparative public policy broadens our understanding of particular policy problems and the lessons to be derived from experience. It also helps us test general theories and hypotheses by exposing the varied nature of political decision making as it confronts concrete issues. Above all—and this is the central theme of this book—comparative public policy illuminates the various and subtle ways in which politics works to produce choices of a collective or social nature. Sensitivity to that process helps us to begin seeing beneath the surface of political events in our rapidly changing, interdependent societies.

WHAT IS COMPARATIVE PUBLIC POLICY?

Comparative public policy is the study of how, why, and to what effect different governments pursue particular courses of action or inaction. While this definition may seem straightforward, it contains a number of important conceptual distinctions. It is worth pausing to sort out the major terms in this definition: the study of ***how, why,*** and ***to what effect different governments*** pursue particular *courses of action and inaction.*

To ask *how* governments choose to act focuses our attention on what goes on inside and at the fringes of the state. It requires learning aspects of the structures and processes through which governmental decisions are reached. In a general sense, we say that the United States and West Germany are federal states while Britain, Sweden, Japan, and France are more centralized unitary states. Hence, we might expect the policy approaches to differ in the two sets of nations. But when we look closer we see that federalism takes on different meanings, depending not only on the country but also on the policy in question. So too do the connotations of centralization in countries such as Britain and France (Ashford). Hence, if we wish to go beyond clichés regarding federalism and centralization, it is necessary to examine in some detail how different governments and their related constellations of parties, interest groups, and bureaucracies actually work through various policy problems. This approach is pursued in Chapter Two, which deals with the development of national education policies in the six countries just mentioned.

To ask *why* governments pursue particular courses of action is obviously as difficult to answer as it is important to ask. Why has the United States followed Europe in adopting some social policies but preceded Europe in other social programs? Why have some countries preserved their major cities as a national resource while others have tolerated more urban decay? Why is the social security "safety net" a subject of quiet, consensual politics at one place and time and an ideologically charged political issue at other places and times?

Answers to "why" questions such as these can depend on historical developments in the distant past which current policymakers may well be unaware of, on the underlying political culture of a nation and subsections of its population, or even on a changing state of public consciousness that makes something a problem for policy attention rather than simply a condition to be accepted. For example, the French and the Germans may be especially sensitive to policy questions about the uniformity of school curricula because of nation-building experiences that occurred between the sixteenth and nineteenth centuries. Here we cannot trace all of these complicated linkages, nor can we unravel the subtle interactions between political culture and public policy predispositions.

What we can do is keep in mind the importance of these ultimate determinants of policy choices when we discuss the various policy instruments that nations select in areas such as education, health, and economic management. And so we will regularly refer to these background influences even as we concentrate on the more proximate sources of policy development. These closer factors consist of the interactions of politicians, bureaucrats, interest groups, public opinion, program beneficiaries, and any other elements that bear on policy-making. The ideas policymakers present, no less than the power they seek to exercise, constitute the raw materials for explaining why policy similarities and differences occur.

The third element in the definition of comparative public policy—*to what effect*—is for many people the payoff. Apart from political scientists, few people are likely to be interested in studying government for its own sake. But almost all people care about what government is doing to them and for them. In other words, they care about its policies. Studying comparative public policy, rather than comparative government or political behavior, gives special attention to the effects of government action on peoples' lives. Rarely are the results exactly what governments intended when adopting a policy; sometimes, the result is a new round of political debate and choice. Assessing governments' capacity for coping with unintended consequences and learning from different experiences in policy development makes the subject matter both complex and fascinating. And, in our view, an approach that anticipates and explicitly deals with surprises and adaptation leads to more realistic analysis than one which concentrates on deductions based on a few behavioral premises about "rational self-interest."

We are left with two components of the original definition. When we refer to *different governments* we are being intentionally vague, so as not to exclude comparisons that go outside the normal country-by-country approach. Although all the chapters in this volume deal with contrasts among different national governments, it is equally useful to compare public policies among various local units of government. Indeed one can often find as many interesting differences between local jurisdictions of the same country as between different countries (Fried and Rabinovitz). Even more differentiated comparisons can be made by considering voluntary organizations and other private groups that also affect public policy (Sharkansky; Graham).

What is needed, what is seriously lacking in the scholarly literature, is a comparative approach that can span levels of government and public/private sectors, as well as different nations. Interactions among policymakers in the different national capitals are important, but rarely do they tell the whole story. This has become particularly true in recent years as national governments have increasingly sought to cope with their financial problems by shifting policy burdens to local jurisdictions and semipublic groups. Perhaps more than ever before, public policy has become a mosaic pieced together by government authorities at different levels and by private

sector actors with public policy responsibilities. The comparisons in subsequent chapters try to capture some of this reality, but there is still much work to be done in the comparative study of subnational policy-making.

That leaves us with the final element of our original definition. A *course of action or inaction* defines a policy. It is not enough to identify this or that decision and how it was made. What matters for purposes of comparative public policy is the string of decisions that add up to a fairly consistent body of behavior sanctioned by governmental authority. In this regard studying comparative public policy is much like trying to analyze weather patterns. The local TV weather forecaster concentrates on a disconnected series of day-to-day decisions about how hot it will be or whether to carry an umbrella tomorrow. But the serious meteorologist, who understands the long-term variations, is more interested in determining whether regions are likely to have warmer temperatures or drier seasons for years or even decades. Making such prognoses means allowing for the introduction of variables such as land clearing patterns or the effects of particular kinds of atmospheric pollution.

Like comparative policy scholars, meteorologists differ about how to weigh and evaluate the factors that produce a colder or warmer winter. But what general weather patterns are to the one, policies are to the other: namely, an *overall configuration of movement and activity*. Both must be flexible observers, concerned primarily with the larger, general trends.

What then about decisions that a government does not make, or issues that it refuses to face? Are these also public policy? Clearly it would be absurd to think that everything a government does not do is *ipso facto* a policy. Few modern governments have made explicit decisions regarding styles of dress between the sexes (Iran and China are exceptions); likewise, no country has decided to impose special immigration quotas on interstellar visitors. This does not mean that the countries therefore have a policy condoning sexist differentiation in clothing or a policy discriminating against earthling immigrants vis-à-vis the interplanetary variety. Yet it would also be absurd to deny that by studied inaction in certain situations governments are expressing something that is just as much a public policy as any big spending decision. Thus, for many years the United States national government did have something of a civil rights policy when it steadfastly refused to intervene in matters of racial discrimination occurring under state laws. Similarly, until the 1960s brought stronger demands for reducing inequalities, U.S. health policy was defined largely by an absence of interference with private enterprise in stimulating and meeting a growing demand for health care.

Government inaction, or nondecision, becomes a policy when it is pursued over time in a fairly consistent way against pressures to the contrary. It is never easy to say just when government passivity begins to assume the characteristics of a public policy, but the growth of controversy is one good due. Certainly by the 1950s, for example, there was a spreading feeling that by doing nothing Washington was condoning and thus supporting racial discrimination throughout the South. Likewise, by the 1980s it became clear to more and more Americans that by *not* regulating hospital prices, the government was pursuing a public policy of restricting demand by making consumers pay more for health care. In these and other cases, what matters for purposes of identifying "policy in repose" is that the issue be perceived by at least some major participants as being on the political agenda. At that point it becomes possible to compare meaningfully one government's hands-off approach to another government's hands-on approach to the same issue. The discussion in Chapter Three of how the West German government came to institute health cost controls while similar American efforts failed is an example of this kind of comparison.

From the way we have now defined the subject, it should be clear that pursuing comparative public policy studies demands individual judgment, as much as it does skills for measuring objective social conditions. When does a nondecision become a policy? What policy trends should be compared against each other? How deeply should one delve into history and political culture for explanations of differences and similarities? Answers to these and similar questions do not depend entirely on scientific theory or measurement and hence will always be in some degree a matter of interpretation and judgment. In this text we have attempted to be "scientific" in applying careful reasoning to the best available empirical evidence. But the reader should bear in mind that the subject of this book is framed by questions upon which judgments are at least partly, and necessarily, subjective.

Likewise, comparative public policy can never become a self-contained specialized discipline, for the subject draws elements from many different disciplines. The "how" part of our definition draws heavily on work in comparative government, public administration, and political science generally. The "why" portion often extends to topics covered in political sociology, history, social psychology, and political economy, among other fields. The "to what effect" questions are strongly related to implementation analysis, economics, and ultimately—when we evaluate results (as we must) in terms of the kind of society we would like to live in—social philosophy.

CROSSCUTTING PERSPECTIVES

Comparative public policy is located at a busy crossroads in the social sciences. The field has grown in recent years to provide a setting in which political scientists, sociologists, historians, economists, and many other specialists are learning from one another. Policy comparisons have encouraged the premises each discipline brings to the subject to be tested against the perceptions of others. As a result, the last three decades have witnessed a

proliferation of competing approaches and methodological refinements. It is worth pausing to take an overview of these recent developments.

Comparative policy studies have an historical background extending much farther than the last several decades. Aristotle dispatched his assistants to collect the constitutions of over one hundred city-states, which he then compared to derive general political principles. Writers in ancient Greece and Rome commonly distinguished systems of government in terms of both who ruled (one person, an elite few, or the many) and the principles by which they actually exercised their power (whether in their own interests or for the good of the whole). It was the principles behind courses of action that separated monarchy from tyranny, aristocracy from oligarchy, democracy from despotic mob rule. In the sixteenth century, Machiavelli combed cases from ancient and contemporary history to expose general principles of power politics and to offer a kind of down-to-earth policy advice to princes. German universities in the eighteenth and nineteenth centuries had the first professorial chairs of "Polizey" science. Efforts were made to systematize the knowledge of domestic policy and administration and to offer guidance in merging the interests of the absolute German monarchies with the welfare of the citizenry (Heidenheimer).

Notwithstanding these precedents, it is fair to say that a clear focus on the systematic, comparative study of public policies has emerged only in the last thirty years or so. In contrast with its ancient ancestors, this modern field of inquiry takes as its starting point the contemporary nation-state and the intellectual framework of twentieth-century social science. Some researchers have concentrated on particular national comparisons—for example, Scandinavian versus Continental European versus Anglo-Saxon versus East-West paradigms. Some have emphasized particular policy fields—for example, health care, taxation, or environmental policy—as the basic focus of analysis. Still other observers have used comparative policy analysis to test more general theories of social and political development. And throughout this intellectual ferment, practical-minded participants in policy-making processes have continued to insist on evidence from this burgeoning cross-discipline as to "what works" and "what doesn't." This development of comparative policy studies has not only vastly expanded the universe of potentially relevant social science observations among diversely trained observers, it has also created diverse efforts to array the empirical policy data along lines that resist any one preexisting theoretical model. We can briefly review the major approaches in this field that have developed in the past thirty years.

The earliest comparative policy studies in the modern era were dominated by what might be called *socioeconomic theories.* The essence of this approach has been to argue that nations respond to the general processes of economic growth and social modernization with basically similar policies (Cutwright; Jackman; Wilensky 1975). Rising levels of economic development and industrialization are seen as creating new economic, social, and environmental dislocations, as well as providing greater financial resources that governments can tap in reacting to these problems. Thus social security and other welfare state–type programs arise and expand everywhere as nations reach higher levels of economic development. This approach perceives a convergence of national policies and a decline of ideological conflict as nations move from traditional agrarian societies and early capitalist excesses into the modernized stage of advanced countries with mixed economies.

After the 1960s, critiques of the socioeconomic model proliferated in the growing circle of comparative policy researchers. Why, for example, had some countries pioneered certain social welfare programs much earlier than their gross level of economic development seemed to justify? Why did the policy efforts (at least as measured in terms of government spending) of some very highly developed countries lag far behind those of other nations? More generally, how could a vision of policy determined by a uniform socioeconomic process account for the significant policy differences that studies showed actually existed among the group of advanced nations?

In responding to the challenge of such questions, diverse approaches blossomed in this young cross-disciplinary field of study. One school of thought has placed specia. emphasis on the deeply embedded cultural ideas arising from the distinctive historical experiences of nations (Rimlinger; King; Caim-Caudle). This *cultural values approach* distinguishes, for example, the tradition of laissez-faire liberalism of Anglo-Saxon nations from the statist paternalism of Continental European countries or the familial quality of organizational life in Japan (Dore).

While the socioeconomic paradigm generally dismissed the role of political forces in determining policy outcomes, a whole cluster of approaches soon developed seeking to show "politics matters" (Castles 1987). A *party government* framework has been widely used to argue that policies vary with shifts in the partisan control of government. This approach was used, for example, in some of the earliest comparative policy studies in which American researchers sought to show that welfare policies differed depending upon Republican or Democratic control of American state governments (Key). More recent cross-national work has plunged much more deeply into the complex linkages between parties and policies (Hibbs; Castles 1982).

An influential variant on the party theme is the *political class struggle* model. The fundamental dynamic of policy development is seen to lie in the contest between business forces driven by the imperatives of capitalist accumulation on the one hand, and workers and their representatives on the other (Gough; Offe; Stephens). Typically in these studies, particular emphasis is placed on the political organization of labor through a strong Social Democratic party tied to an extensive union movement. It is the presence or absence of such a political configuration that is said to shape

decisively the policy agenda and the government programs that result (Shalev; Korpi; Esping-Anderson).

Yet another approach is the *neo-corporatist* framework. While acknowledging the importance of labor organization, researchers using this framework look to the broader system of interest representation and its linkages to government through institutionalized bargaining. The capacity to frame, coordinate, and successfully implement policy is seen to be dependent on strongly organized interest blocs (labor, employer, professional, and so on) that are continually engaged in centralized negotiations with government on policy matters of mutual interest (Lehmbruch and Schmitter; Wilensky 1976, 1981; Lindberg and Maier). The term *corporatism* expresses the trend toward obliterating public/private sector boundaries in one system of shared responsibilities among the major societal actors.

A final approach that has gained some currency has been termed the *institutional-political process* perspective (Weir et al.). While other frameworks tend to treat policy as the result of outside pressures (socioeconomic, party demands, interest blocs, and so on) on government, institutional analysts are at pains to put the "state" at center stage. In practice this means paying particular attention to at least three things: (1) the distinctive historical patterns through which different nation-states have been formed and their institutional structures distinguished from one another; (2) the way state structures and capacities interact with and affect the prospects of other social actors; and (3) the feedback effects of policy on political alliances, party competition and other features of the policy-making landscape (Heclo; Katzenstein; Skocpol).

Obviously these six approaches are not mutually exclusive or exhaustive, and any serious comparative analysis can easily draw upon several frameworks to account for what is happening. Although we say this is obvious, the fact is that the field of comparative policy studies has at times been agitated by heated intramural arguments about which variable is of primary importance—socioeconomic processes or politics? party control or interest group intermediation? culturally embedded ideas or state-structured institutions? (Wilensky et al 1985; Hancock; Castles, 1982).

METHODS AND MEANS

It is a sign of growing intellectual maturity in the field that comparative studies have increasingly moved away from the search for single-factor, deterministic theories and accepted the need to integrate diverse perspectives in order to produce plausible accounts of policy development. The effort at integration is the approach we have tried to adopt in this book. Some day there may be a unified grand theory of comparative public policy, but that day is not here yet.

Increasing sensitivity to methodological problems is another sign of much more carefully scrutinized than they were thirty years ago. Scholars tend to be more sophisticated in specifying indicators and empirical tests for their theories. In recent years there has been a growing recognition that analysis needs to utilize both broad-scale comparative mapping of similarities and differences *and* contextually rich individual case studies. Comparative strategies, far from being stymied by the problem of uniqueness, can show a versatility depending on the analytic purpose at hand. We can compare apples and oranges, and there is no reason or need to decide in the abstract whether it is the similarities or differences that matter most. If our purpose is to establish better dietary guidelines, the difference between apples and oranges may not matter one bit as long as one of the two substitutes for junk food. If we are trying to make a pie or plant a fruit tree in a northern climate, the differences are all that matters.

POLITICS AS CHOICE

"To govern is to choose." Hidden within this familiar saying lies a profound insight. To appreciate the insight involved in linking politics and choice, we need to pass beyond the image of a few individual governors and encompass many people and groups. We must think not of this or that newsworthy decision, but of many streams of decisions and interactions that cumulate into processes of choice. These are choices made on behalf of society, not because politicians and leaders necessarily act in the public interest, but because the outcomes of such choices authoritatively sanction certain social arrangements but not others. Perhaps, then, we might say that "to be governed is to have choices made for you"; but that statement overlooks one important reality—namely, that leaders do not act unrestrained and that they are continually engaged in reciprocal-influence processes with those they lead. What then does the political-choice process expressed through public policies really look like? Instead of a machine-like churning out of decisions, a more realistic image comes from Hermann Hesse:

> The expedition did not, in fact, proceed in any fixed order with participants moving in the same direction in more or less closed columns. On the contrary, numerous groups were simultaneously on the way, each following their own leaders and their own stars, each one always ready to merge into a greater unit and belong to it for a time, but always no less ready to move on again separately. . . . (Hermann Hesse, *The Journey to the East*)

If this seems unduly abstract, consider some of the collective, or social, choices that have been made through politics over the past one hundred years:

Schooling, at public expense, has grown from a kind of charity offered to relatively few children for a few years to a right provided each generation into adulthood. Selection criteria which used to be most powerful at

the entrance to secondary school have been moved "up" the educational ladder to the doors of graduate and professional schools. (Education policy is considered in Chapter Two.)

Health care, once universally thought to be of little governmental concern, has everywhere been elevated to the level of public policy. While in earlier periods of power politics the strength of nations was measured in terms of battalions and armaments, now societal indicators such as infant mortality or the capacity to deal with drug addiction are often perceived as equally or more important. As life spans have lengthened, governments have been drawn more deeply into questions of health care financing generally, but especially for the larger elderly proportion of the population. (Health care policies are dealt with in Chapter Three.)

The shape of cities and the nature of people's housing have always been byproducts of market forces. But whereas they were once thought of as natural and inevitable results of economic realities, they are now regarded as subjects for forethought and governmental intervention. (How Europe, Japan, and the United States have shaped relevant policies is examined in Chapters Four and Eight.)

As societies, we have decided that much of what a person earns shall be taken from him or her in taxes, that certain kinds of income and spending shall be taxed differently from others, and that people will receive various kinds of public income whenever they cannot meet basic needs as we have defined them. (Policies pertaining to these questions are examined comparatively in Chapters Six and Seven.)

Likewise over the years, people in many countries have come to realize that "the environment" is not just the natural setting within which we humans live, but a contingent resource about which collective choices must be made. (Environmental policies are discussed in Chapter Nine.)

These and other topics are dealt with in the subsequent chapters of this book. In 1881 the first great national program of social insurance was initiated by the German Emperor William I. Given the current expansion in the agenda of public policy, we might well call the hundred years since then the century of the welfare state. The data are far from perfect, but the overall trends in Europe and the United States are clear and consistent for the last hundred years: A rising share of total economic resources has been absorbed by taxation and devoted to public spending. Of all public spending, a growing share (except in years of war) has gone to social programs; of all these programs, more and more have involved income security programs (Flora and Heidenheimer). As we shall see, national variations within these trends are important, but the overall movements stand out as long-term themes for every developed nation.

The generation since 1960 has, if anything, seen these same trends become more prominent. Obviously there are many differences among the political systems examined in this text. But for all, the period between 1960 and 1980 may indeed have been a golden age in the long history of welfare state spending and taxation.

But are we really justified in calling these developments examples of collective choice? Surely public spending has grown as a proportion of the economy without anyone consciously choosing what the level or ratio should be; the aggregate patterns have just happened.

Again we must beware of thinking that choices can be made only deliberately by some individual decision maker. Choices can also be made through complex processes of interaction. Politics serves as a mechanism of social choice in much the same sense that markets serve as means of making aggregate economic choices that no individual participant in the market may have intended or decided to make. Changing prices signal the movements in supply and demand and in doing so yield two types of overall aggregate economic choices: namely, choices about how scarce resources will be allocated to produce a desired mix of products from all the possible mixes that could potentially be produced, and distributive choices about who will have the money incomes to purchase these products. This allocation of resources and distribution of income may be seen as the warp and woof of economic life.

For better or worse, political life is even more complex, and deductions based on such political economy concepts take us only a little way toward understanding the complexity of political choice. In the 1970s, for example, many writers used a few simple economic choice concepts to suggest that democratic policy and politics were headed inexorably toward hyperinflation and political disaster. Public demands revealed a preference for government spending but against the taxation to support such spending. The short-term rational choice behavior of politicians interested in reelection inevitably led them to pander to these demands. Reinforcing this tendency was the fact that bureaucrats engaged in the "supply" of public services—and using taxpayers' money—had no "cost" constraint to limit their ambitious programs. Such economic concepts were useful in capturing some general tendencies, but they scarcely offered a full portrayal of political reality. By the beginning of the 1980s, government expansion had slowed down; moreover, hyperinflation and massive government deficits did not develop in most Western democracies during the remainder of the 1980s. Politicians such as Ronald Reagan and Margaret Thatcher won popular followings by promising to reduce government spending and taxation levels. With somewhat different rhetoric and methods, many Social Democrats in Western Europe and Australia similarly acted to cut back public budget trajectories. All of these developments were of course part of the politics of social choice.

What separates a choice from a mere result is the fact that a significant number of people believe that the political process can be managed so as to produce a desired outcome. It is this growing awareness of the possibilities and implications of choice that, perhaps more than anything else, distinguishes our time from earlier periods of policy-making. Thus, a conservative such as Ronald Reagan entered the presidential office with a blueprint, not only for balancing the budget, but also for reducing the federal government's share of Gross Domestic Product (GDP) from 21 percent to 19.6 percent by the end of his first term, for cutting inflation, and for achieving a high and stable level of employment. While economists in his administration differed strongly about how these goals might have been achieved, it was striking that no one questioned the idea that these goals were, potentially at least, within the power of the policy-making process to achieve. Such an assumption would have been regarded as astounding eighty or a hundred years ago. In those days no one could have debated statistics about the size of the government in relation to the economy because only in this century has there been widespread political debate on the concept of managing a national economy; and only in the 1940s were the first reliable measures of economic size and movement (Gross National Product) made. Unemployment and inflation were largely accepted as part of the natural order of things; hard times alternated with good times as a matter of course, just as the weather fluctuated beyond anyone's control.

Once a condition is given a name and accepted as a problem rather than simply as part of the natural order, then it is only a short step to interpreting any unemployment or inflation level as something that government has created through policy or chosen to countenance. That willingness to recognize choices is what marks our times, and it applies to much more than the economy. To grant or refuse federal funding for abortions becomes for many people pro-choice or anti-abortion policy. The area of technological change (nuclear power, chemicals use, natural resources development, genetic engineering, and so on) is especially rich in examples of declining willingness to let developments take their own course and greater willingness to try to control trends—which is to say, to become mobilized in the politics of social choice. Though we cannot hope to cover all these fields in this volume, we shall see this heightened public attention clearly at work in those policy fields we do cover.

CHOICES AS FRAMEWORKS

What choices of a collective nature has politics served to make? Earlier in this chapter, we pointed out that markets make two types of economic choices—allocational and distributive. The possible array in politics is much larger, but in this book we concentrate on four types of choice applicable to each policy area. These four types of choice fall short of the macro-choices between equality and inequality or liberty and security, but they are major choices all the same. And, as we shall see, they are subject to constant negotiation and adaptation.

Choices of Scope

This type of choice concerns whether and where lines shall be drawn between public and private responsibilities. For example, is the purchase of health care strictly a private matter between health care providers and those with the money to pay for it? If the government does take part, how far should it go in setting requirements for doctors and hospitals that provide the service? How much responsibility should the person in need of health care bear? Some scope choices may also exist within public policies themselves rather than between public and private sectors. Should housing policy be concerned mainly with increasing the physical supply of buildings, or should it also be used as part of antipoverty or economic management policies?

Choices of Policy Instruments

Given that government accepts a responsibility to intervene, what structures and tools will it use? Does it want to retain policy-making power at the national level, or delegate the power to subnational levels of government? Does it want to let local or regional governments shape educational or social assistance policies, or does it value homogeneity sufficiently to transfer such jurisdictions to higher levels? Further options relate to specific tools of public intervention. As noted earlier, different instruments can be used for the same end. A government aiming to improve health care or housing conditions may itself build and run a hospital system and housing units. It may grant subsidies to nonprofit or for-profit builders or hospital operators, or it may use government licensing power to assure that some regulatory standards are met. Though such choices are not mutually exclusive, most national systems tend to give priority to some instruments over others. But these choices need not be consistent across policy areas.

Choices of Distribution

Whereas economic markets arrive at distributive choices by letting costs and benefits lie wherever they happen to fall, the political process normally makes such choices in a much more self-conscious manner. Is it fair that children from wealthy families should be able to buy their way into better private schools? Is it fair that their families should have to pay taxes to support public schools their children do not attend? How shall the burden of taxation be distributed between individual income earners and business profits, between income and consumption, between the elderly and families with children?

Choices of Restraints and Innovation

These choices become particularly applicable when significant change in the character of constraints poses questions about how to continue, terminate, or adapt policies which had been implemented in light of the preceding choices. In one direction choices can go toward toughening the prevailing rules regarding the extension or extraction of resources and benefits; in the other they can go toward experimenting with new techniques. Recourse to severity can allow for fewer deviations or loopholes in the administration of prevailing rules, or it can adjust the rules to tighten selection criteria for public assistance, abortions, or housing subsidies.

Without being too ritualistic, we will use these four dimensions of choice to trace the major lines of development in each of the subsequent chapters.

THE POLICY AREAS

The subject matter of these chapters covers a broad field, from education and economic management to the environment. However, the choice of topics is not arbitrary. The public policies which we will be comparing concern government's role in economic and social affairs, for these are the sectors in which national governments have carved out important functions in this past century of welfare state development. The national departments which administer these policies are generally of more recent origin than those that handle the more traditional governmental functions, such as of defense or foreign affairs. Interesting comparative work has begun in defense policy-making (Roherty), but in this book we will confine ourselves to domestic policy.

We begin by examining policies that shape the provision of public services. The services considered in Chapters Two through Four—education, health care, and housing—were in earlier centuries left mainly to commercial and philanthropic agencies. Today these services are often regarded as vital social goods in whose allocation governments must play a key role. In different nations the government role has developed at different times. Germany and Austria preceded Britain and the United States in the introduction of health insurance. Compared to the United States, European nations have generally also been leaders in the provision of public housing. But with regard to the provision of post-primary public education, it was the United States that preceded the major European countries by a generation or more.

In contrast to its lag in the health sector, the United States has been ahead of Europe in the education sector. The American public education policy was first established during the early decades of the twentieth century. In 1890 the United States had proportionately only half as many full-time secondary students in public schools as Germany; by 1899 it had an equal proportion; and by 1930 its secondary school attendance rate was more than three times that of Germany or Britain. During this period in the United States a new public high school was established every day of the year. A 1935 article in the *Encyclopedia of the Social Sciences* noted that education in the United States was still "the only fully developed social service" (Comstock). In contrast to Europe, where academic secondary schools were maintained for a small elite of children from middle- and upper-class families, the American high school by the 1920s came to be attended by children from all social, economic, and intellectual groups.

In Chapter Five we turn to economic policy and look at government influence on the overall performance of the economy. The purpose of this chapter is to examine differences and similarities in the ways that democratic nations have coped with common problems of economic management. Compared to other topics in this book, economic policy is distinguished by widespread agreement, not only on its aims, but also on the specific ways in which progress toward these goals should be measured. Progress toward these goals is everywhere measured in terms of widely accepted statistical constructs: unemployment rates, price indices, and Gross National Product. Policymakers can hence be much more clearly identified with results, even though the underlying economic processes may be largely outside their control. Since no one can deny bad news contained in economic statistics, there is a strong political incentive to engage in or at least appear to engage in problem solving.

In Chapters Six and Seven we turn to taxation and income maintenance policies, two topics that are appropriately grouped together if we think of social policy as being concerned with a distribution of both benefits *and* costs. Income maintenance programs allocate cash payments; taxation distributes tax extractions. In practical terms, a cash benefit received and a tax cost avoided may be indistinguishable in their effect on a family's disposable income. Special tax provisions can support the income positions of some persons by leaving untouched money which would otherwise go into the national tax coffers, while other groups may receive aid from overt cash payments made through social security, public assistance, or other income maintenance programs.

Compared to education, health, and housing programs, these two areas are obviously much more concerned with cash transfers to and from citizens. For a variety of reasons, this difference would suggest that income maintenance and taxation policies are subject to more direct and exclusive government control than any of the other three policies, partially because negotiations with professional groups supplying services and time-consuming capital projects are not normally required for income maintenance and taxation policies.

Though income maintenance programs and taxation are largely monopolistic activities under direct government control, powerful inertia may still affect basic policy change. Moreover, possibilities for change may also be constrained by certain political contexts. A pluralistic political setting with a weak central administration will offer considerable opportunity to specialized groups interested in policy changes. Once a policy is established, advocates of general change are likely to have little leverage compared to that of coalitions of particularized interests. In less fragmented political systems, policymakers, without disregarding the special interests of particular groups, are able to deal from positions of greater strength with those broad policy guidelines affecting everyone in general and no one in particular.

In Chapters Eight and Nine we turn to the role that government plays in promoting the public welfare through the regulation of private activity. Regulatory policies designed to preserve the quality of life for all citizens may bring government directly into conflict with the interests of individual citizens. How governments handle the balance between the collective welfare and individual rights depends on both societal values and institutional arrangements. Even when the nature of the problems and the technological means for dealing with them do not differ greatly among nations, the political presumptions and administrative methods for carrying out regulatory policies can and do differ substantially.

Chapter Eight examines governmental efforts to reduce congestion and to protect open space and amenities in urban regions—a task that involves the sensitive interface between public authority and private property rights. Similarly, Chapter Nine discusses the tension between the preservation of the environment and the rights of individuals and corporations to act in their own interest. In both chapters we will ask whether, in a time of global economic competition, government regulation is taking a backseat to the need for nations to protect their economic competitiveness.

In Chapter Ten we relate our study of policy arenas to a discussion of the dynamics that underlie the expansion and contraction of the welfare state. Here we consider the longer-term perspective through a discussion between two of the politicians who played key roles in the development of the welfare state on both sides of the Atlantic. We also look at patterns of policy change, with special consideration of how much such patterns have varied across nations, across policy sectors, and across different historical eras. How and why support and evaluation of government programs varies by nation and policy sector is then examined cross-sectionally on the basis of survey findings from the 1970s in the United States and three European countries. The factors determining different degrees of voter support for policy expansion or tax reduction are also considered and then related back to the opportunities for social choice in different kinds of Western systems. We conclude by placing in perspective the effective choices facing the Western electorates in the 1990s and beyond, when there is likely to be a growing awareness of scarcity.

THE COUNTRIES

Attention in this volume is focused on the developed nations of Western Europe, the United States, and Japan. Wherever possible we have tried to include information on as broad a range of countries as possible, while looking in much greater detail at the United States, Britain, France, Japan, the Netherlands, Sweden, and West Germany.* Our rationale for this selection is based on economic, political, and historical factors.

The five European countries exhibit overall economic and political profiles similar to that of the United States. They are rather alike in their reliance on mixed economies and in their level of economic development; Sweden and Germany are slightly ahead of the United States in per capita GNP, while the Netherlands, France, and Britain are somewhat behind. Japan of course has grown rapidly in the postwar period to become one of the richest nations in the world. All seven nations' political systems have also remained similar during the second half of this century in exhibiting a continuity of party-based governments selected through competitive elections. During the forty-four years since World War II, their political and economic elites have had to act within parameters bounded by a liberal international economy on the one hand, and by well-organized domestic electorates on the other. It is partly because these characteristics have held true more for the northern-central region of Western Europe that we have chosen to study systems from that stable and prosperous region, and neglected the Mediterranean area. Cavils that might be raised about the exclusion of Italy or Spain might also be raised with regard to Canada or Israel, but our resources were not sufficient to include these somewhat distinctive national policy experiences into our framework in a meaningful way. Even so, we make some references to these countries' policy records, and to those of other small European nations, as well as Australia and New Zealand.

Though we focus in this book on contemporary policy problems, we also concern ourselves with how the historical structures of institutions and roles shape current policy responses. The nations discussed here exhibit basic differences in inherited attitudes toward governmental initiatives and intervention. On the one hand, British and American traditions favor limits on government power, as is reflected both in individualist values and in the sharp borders perceived between private and public spheres. By contrast, in Sweden, France, the Netherlands, and Germany, traditions allow governments more freedom to devise innovative solutions for problems caused by industrialization, urbanization, and other facets of socioeconomic development. To understand this basic difference between Anglo-Saxon and Continental patterns—as well as the variations that occur within these two groups of nations—one needs to appreciate the way historical development has structured today's policy-making systems (Moore; Rokkan; Dyson).

*As already stated in the Preface, we are utilizing the following conventional abbreviations: *Americans* for citizens of the United States; *Europeans* for citizens of Western Europe; *Germany* for the Federal Republic of Germany, or West Germany, and *Britain* for Great Britain.

France, Germany, Sweden, and Japan, despite their many differences, are all countries that entered the modern era with strong carry-overs from the feudal institutions of the past. Living uneasily with the republican impulses of the Revolution, the French aristocracy never quite lost its grip on French society and a large rural sector steeped in traditionalism. The German nation was founded in the late nineteenth century on a Prussian version of feudal authority patterns. Sweden saw itself as a nation organized into four great social estates, a concept that was only gradually abandoned in the late nineteenth century. Japan carried its feudal traditions well into the twentieth century.

These countries each entered the modern era with a well-developed state bureaucratic apparatus that predated both large-scale industrialization and widespread commitment to democratic participation. From the earliest phases of economic and political modernization, the state was an accepted presence and, moreover, an unavoidable independent force in the affairs of each nation. The German and French legacies of statism are undoubtedly the most familiar. Sweden offers another example. After the Crown and local government councils, the national bureaucracy is the oldest Swedish political institution and has played the central role for centuries in linking Crown and *kommune*. Modernized in the nineteenth century according to the model of Prussian bureaucracy (but without the resources or opportunity for territorial aggrandizement), Swedish bureaucracy has played an enduring role in modernizing a nation that was at the beginning of this century still agrarian and pre-democratic. Japan's bureaucracy was demilitarized but largely kept intact by the American occupying forces at the end of World War II. With skill and determination, it quickly turned to the task of rebuilding an economically devastated nation into a world class competitor in the new postwar economic order.

Another common historical strand these nations share concerns industrialization. In each country industrialization occurred after economic modernization was well under way in a growing international economy. Any industrial revolution is of course a complex process with few clear beginnings or endings, but it is important to note that France, Germany, Japan, and Sweden all went from being predominantly agricultural to being predominantly industrial around the beginning of this century. What early industrializers could do with relatively little competition, small amounts of capital, and rudimentary transportation systems was later thought to require collective protection, concentrations of capital, and public investment. The result was a natural mutuality of interest between relatively large-scale business concentrations, banking interests, and a preexisting, well-developed state apparatus that could provide the needed protection and investment aids. A traditionalist, noncommercialized agricultural sector in these countries had no less an interest in state protection.

It would be a very lengthy and probably foolish exercise to try to determine which of these three factors was most important in shaping the domestic basis for current policies. Indeed, economic, political, and historical factors have to form a complex web. The legacy of feudalism carried with it a commitment to established authority patterns and an expectation of coherent status hierarchies. The legacy of statism brought an established administrative apparatus confident of its ability to exercise such authority. And the legacy of late industrialization provided an incentive for concentration of economic power that would work comfortably with an equally powerful public authority.

The contrast of the United States and Britain is striking. Feudal institutions scarcely ever existed in the United States, and in Britain the early commercialization of agriculture in the eighteenth century effectively undercut forever the economic and social base for such authority. The early development of parliamentary institutions in Britain and democratic government forms in the United States represented a severe restriction on the executive power of the state. In both countries national bureaucracies developed afterward and were forced to accommodate themselves to preexisting forms of popular political participation. Relatively early experiences with industrial production and commercial agriculture were seen to demonstrate the virtues of free market approaches and fairly small-scale enterprises.

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Comparisons of policies cross-nationally can therefore utilize a variety of conceptual orientations, while trying to stay as close to real-world empirical data as possible. The aims of developing better policies and better theories go hand in hand, especially in an increasingly interdependent world. By comparing, we learn to see better. If we are both methodologically careful in the details and sensitive to the larger meaning of events, we can begin to see how the complex, day-to-day work of policy-making—a mix of ideas and institutions, political expediency and long-standing traditions—adds up to collective choices. The next chapter focuses on education policy, beginning with an examination of governmental roles in education developed in consonance with the emergence of state institutions.

2
EDUCATION POLICY

Citizenship in democratic countries involves obligations, some of which are legally prescribed. Voting in national elections is compulsory in some countries, and nonvoters may even be fined. In other countries the practice of an occupation or profession entails compulsory membership in a chamber of artisans or physicians. But in *all* these countries compulsory education laws require parents to send their children to accredited schools for about a decade of formal education.

Why is it that states have chosen to concentrate their power to compel behavior on adolescents rather than on adults of voting age? Partly because the responsibility for ensuring that youth achieves a certain level of literacy and mathematical proficiency has come to be transferred from the family to the government; partly because governments see schools as an opportunity to inculcate regime values into future citizens when they are still at an impressionable age; partly because future voting rights presuppose a socialization process in which schools play an important part. In these ways adult society tries to legitimize its choices for the next generation and to reduce the opportunities for deviating radically from them.

Extensive state intervention in education can be justified in that the knowledge and credentials achieved in schools broaden the choices that youth can make at later stages of their education and employment. Thus, the choice to "drop out" of education is especially restricted where national goals stress "equality of opportunity"; nations must make sure that youth stays in the education system long enough to be offered this opportunity.

In democratic capitalist systems, social stratification is the main mechanism to implement and legitimize economic and social inequality during adult life. A nation's commitment to allocating "life chances" rests heavily on education, particularly on access to higher education, where the nation's social and professional elites are trained. Some health, housing, and other social policies are also relevant, insofar as poor health or crowded housing may affect a child's development. Most important, however, are the quality of education offered in the various kinds of schools and the equality of access to them.

CHOICES IN EDUCATION POLICY

The Scope of the State Education Monopoly

Although no advanced democracies directly prohibit churches or private groups from operating nonpublic educational institutions, they encourage or discourage them in varying degrees. The techniques with which they implement their education policy choices rest largely on their power to license or charter institutions and to assist them financially. The preponderance of public education varies from nation to nation. The de facto dominance of public institutions is most thorough in Scandinavia. Though only a few Continental countries offer extensive support to private institutions, Britain has a significant private school sector. The largest number of self-supporting religions and other private schools and universities is found in the United States, followed by Japan.

Generally, more than four-fifths of all pupils and students in these countries attend public institutions. Two controversial questions are whether the minority attending private schools should receive public subsidies, and whether it is just for them to get better educations largely because of their parents' higher incomes. The diversity of American practice is illustrated by the fact that in some states—Colorado and Tennessee, for example—no private college students receive state grants, while in others all receive some public support. Such regional differences would probably violate national constitutional rules in West Germany, where few private schools and almost no private universities exist.

The Instruments of Education Policy

How centralized should national education systems be, and how much leeway should local or regional authorities have to make deviating decisions? The polar choices here lie between the strong American local school boards within a decentralized federal system, on the one hand, and the centrally run school systems of unitary polities such as Sweden and France, on the other hand. In the latter countries, powerful national boards enforce similar rules and curricula throughout the nation. Uniformity is lower in Germany, by contrast, because the primary power is exercised from the *Land*, or state, level and not the national level. But Land officials assign teachers and stipulate curricula in ways that would arouse outrage in even the more localized American system.

In Britain local education authorities (LEAs) have inherited stronger traditions of self-government than in Germany, one result of a more pluralist public system. In the United States the emergence of supra-local public school systems has been incremental; in both countries similarity of curricula is still induced indirectly through nationally set examinations, and less through direct bureaucratic prescription. But in Britain under the Thatcher government the power of local authorities has been reduced, and a nationally uniform curriculum imposed.

The Distribution of Educational Opportunity

That goals such as social equality and social mobility until recently held low priority in European countries was reflected in their secondary school systems, which were tripartite in being divided into academic, technical, and general schools. The academic high schools educated only a small elite, selected through what in Britain was known as the "eleven-plus" exam, for rating children at the ages of eleven to thirteen on their abilities. Because the school diploma was something of a ticket to a lifetime journey, the distribution of places was important. As was once said about this system: "The man with the third-class ticket who later feels entitled to claim a seat in the first-class carriage will not be admitted, even if he is prepared to pay the difference" (Marshall, p. 113).

This early selection system limited the number of children from lower social strata who achieved social mobility by graduating from elite schools and going on to the university. In America, greater equality of educational opportunity encouraged broader class recruitment to the secondary schools and universities, causing these levels of schooling to become more universal.

In recent decades in Europe, left-wing parties such as the Social Democrats have sought to reform both the secondary and university systems. Such impulses have coincided with strong expansions of both sectors, so that the proportion of European youth going on to higher education has begun to approach American levels. Whereas about half of American youth now start college, the proportion in Europe is about one quarter.

Restraints and Innovation in Education

Higher education is an appropriate place to examine potential restraints and innovation in education policy, for the variable length and quality of degree courses present complex choices in resource allocation. American students usually study four years to earn an undergraduate degree, British students three years. Over the last fifty years, the length of