

MR. POGREBA, PARKER SCHOOL

Unit 7: Political Ideologies & Beliefs

Policy Making and Ideology



"Surround yourself with the best people you can find, delegate authority, and don't interfere as long as the policy you've decided upon is being carried out."

President Ronald Reagan



Policy Making & Ideology

VIEW OF POLICY MAKING

Pluralism is the recognition and affirmation of diversity within a political body to permit the peaceful coexistence of different interests, convictions, and lifestyles.

- ▶ When candidates take office, they typically have an **agenda**—a set of goals and policies they have promised to enact.
- ▶ There are two broad views of policy making:
 - ▶ **Majoritarian policy making:** when politicians enact the will of the majority.
 - ▶ Why is this good? What could make it problematic?
 - ▶ **Interest group policy making:** when political leaders respond to a **pluralist** view of government and enact policy
 - ▶ Why is this good? What could make it problematic?



POLICY MAKING PROCESS

- ▶ In an ideal world, leaders would recognize an issue, study it, and try to write a law to fix it.
 - ▶ The original source could be public outrage or knowledge from specialized groups.
 - ▶ This takes us through the complex process of Congressional approval/Presidential action.
- ▶ Opponents will resist from the beginning of the process (lobbying, rallying public opposition) through and past its passage (court challenges).
- ▶ While policy tends to shift incrementally in the U.S., **wedge issues**—divisive political issues designed to maximize political advantage—can swing quickly.

What is an example of a wedge issue?





Economic Policy & Ideology

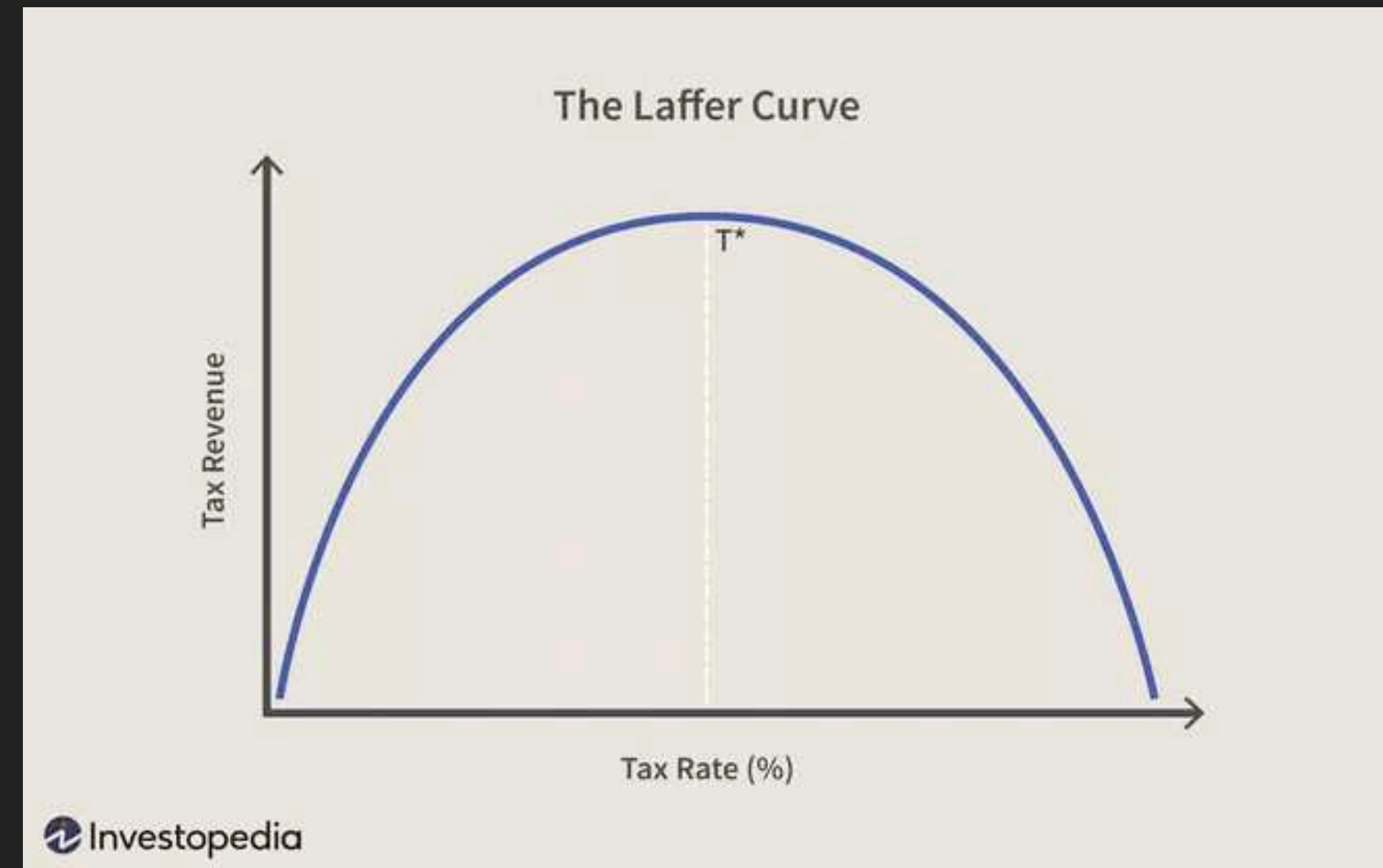
LIBERAL FISCAL POLICY

- ▶ In general, since the 1930s, liberals have accepted more government involvement and regulation of the economy, rooted in **Keynesian economics**.
- ▶ Keynes rejected laissez-faire economic theories and argued that the government should:
 - ▶ Spend more and decrease taxes when private spending was low.
 - ▶ Cut spending and increase taxes when spending was too great.
- ▶ Government, according to Keynes, should **stimulate** the economy and **slow it down** when needed.
- ▶ Keynesians believe that there is a **multiplier effect** for every government dollar spent.



CONSERVATIVE FISCAL POLICY

- ▶ Conservatives tend to support **laissez faire** economic policy.
- ▶ Since the 1980s, they have adopted **supply-side** economics, which holds that the more money in the hands of the people, the better the economy will be.'
- ▶ Tax collection will go up, they argue, because:
 - ▶ People will spend more money
 - ▶ Business and manufacturing will boom
- ▶ Libertarians go even farther and condemn almost all government spending/regulation.



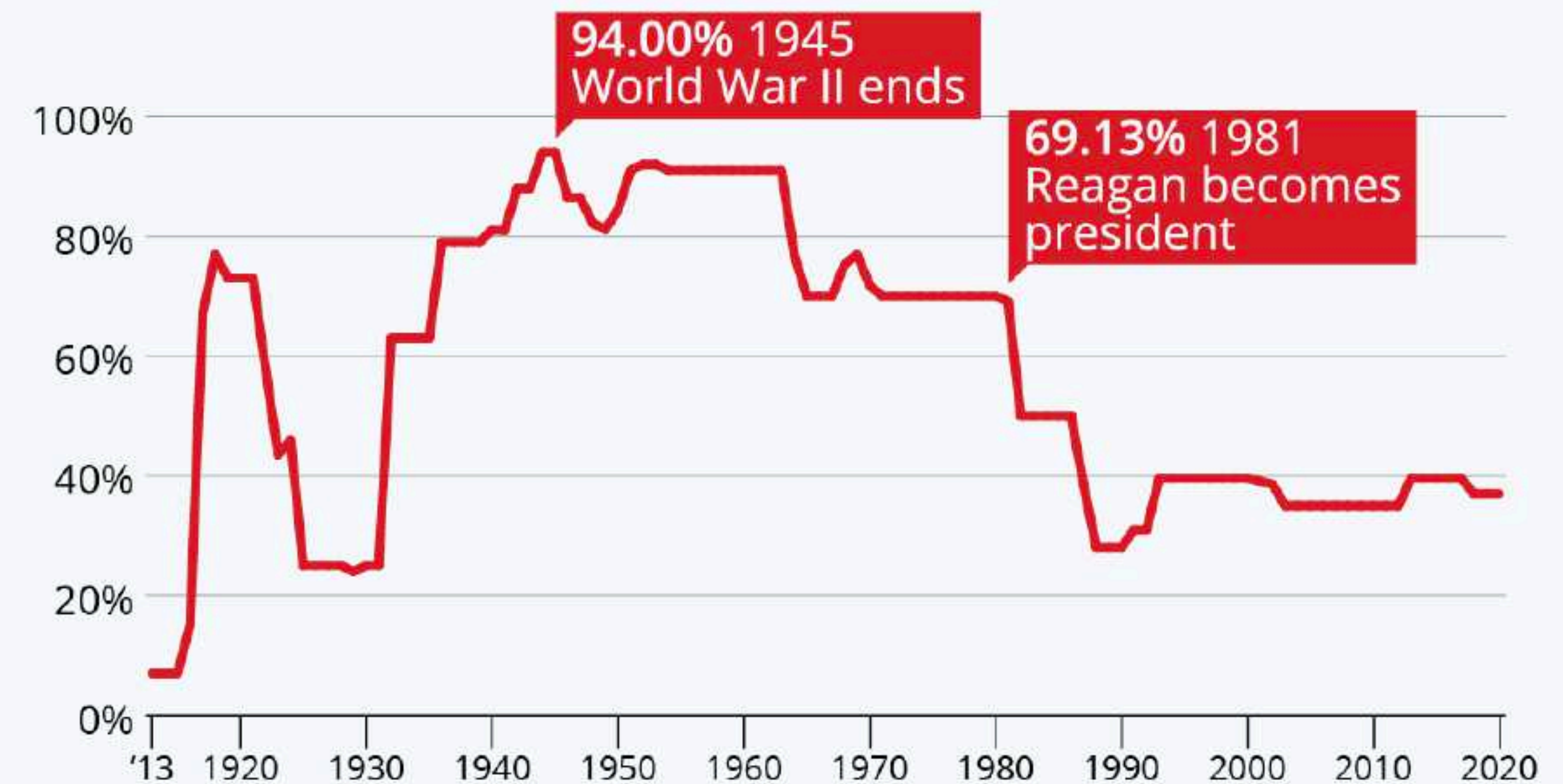
THE LAFFER CURVE

TAXATION

- ▶ Congress was not given the power to levy an **income tax** until 1913, when the **16th Amendment** passed.
- ▶ While some call for a **flat tax**, the US has a **progressive tax system**, where rates are scaled to income.
- ▶ **Taxes are also used to shape social policy**: family/child benefits, energy-efficient cars, etc.
- ▶ **The Earned Income Tax Credit** means some low-income workers pay very little or no tax at all.

Taxing The Rich: How America's Marginal Tax Rate Evolved

Historic highest marginal income tax rates in the U.S.*



* Marginal tax rate is the highest tax rate paid on someone's income and only applies to income over a certain level. - e.g. earnings above \$200,000 in 1960 were taxed at 90%.

Source: Tax Policy Center

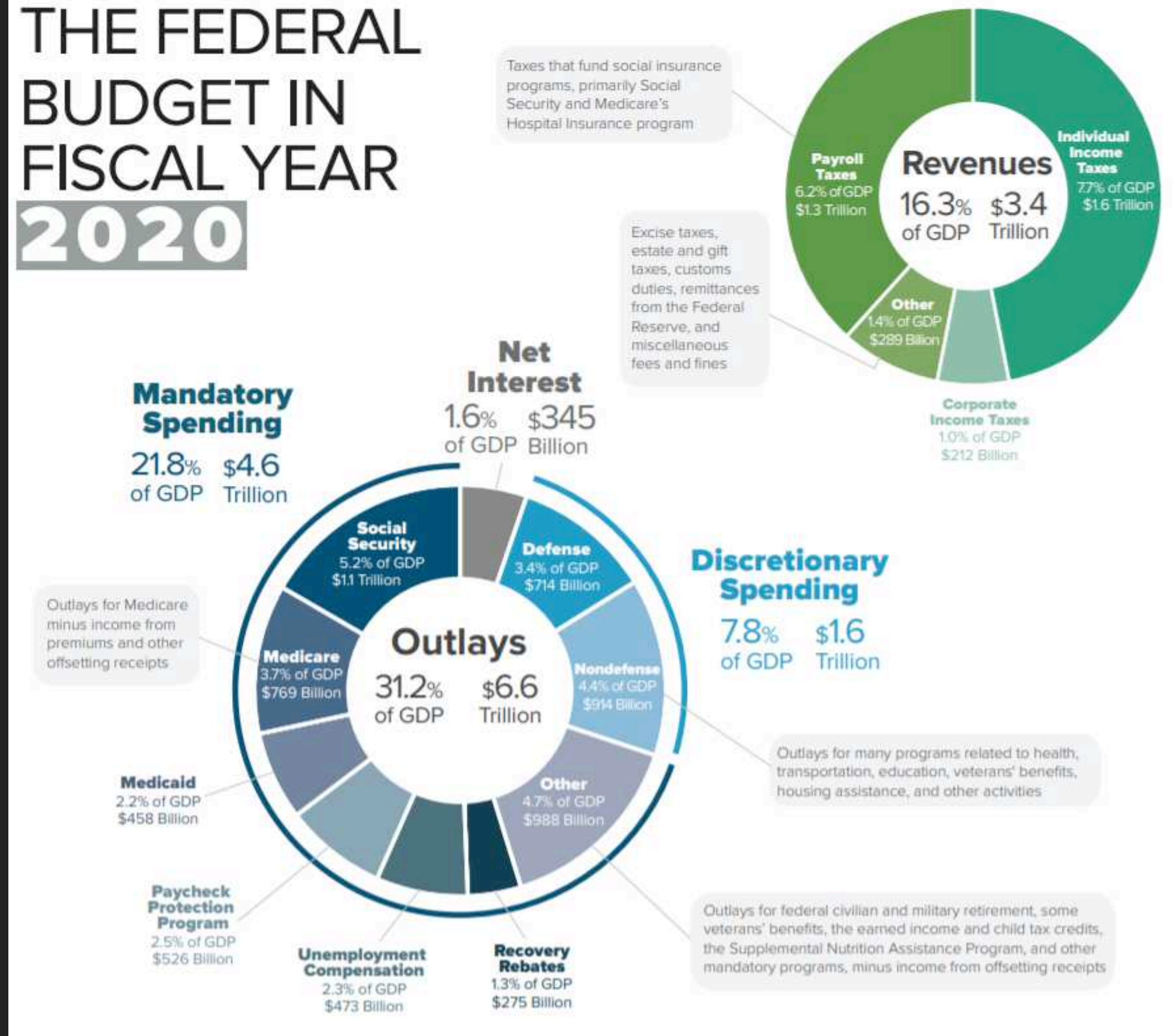




Spending & Ideology



THE FEDERAL BUDGET IN FISCAL YEAR **2020**

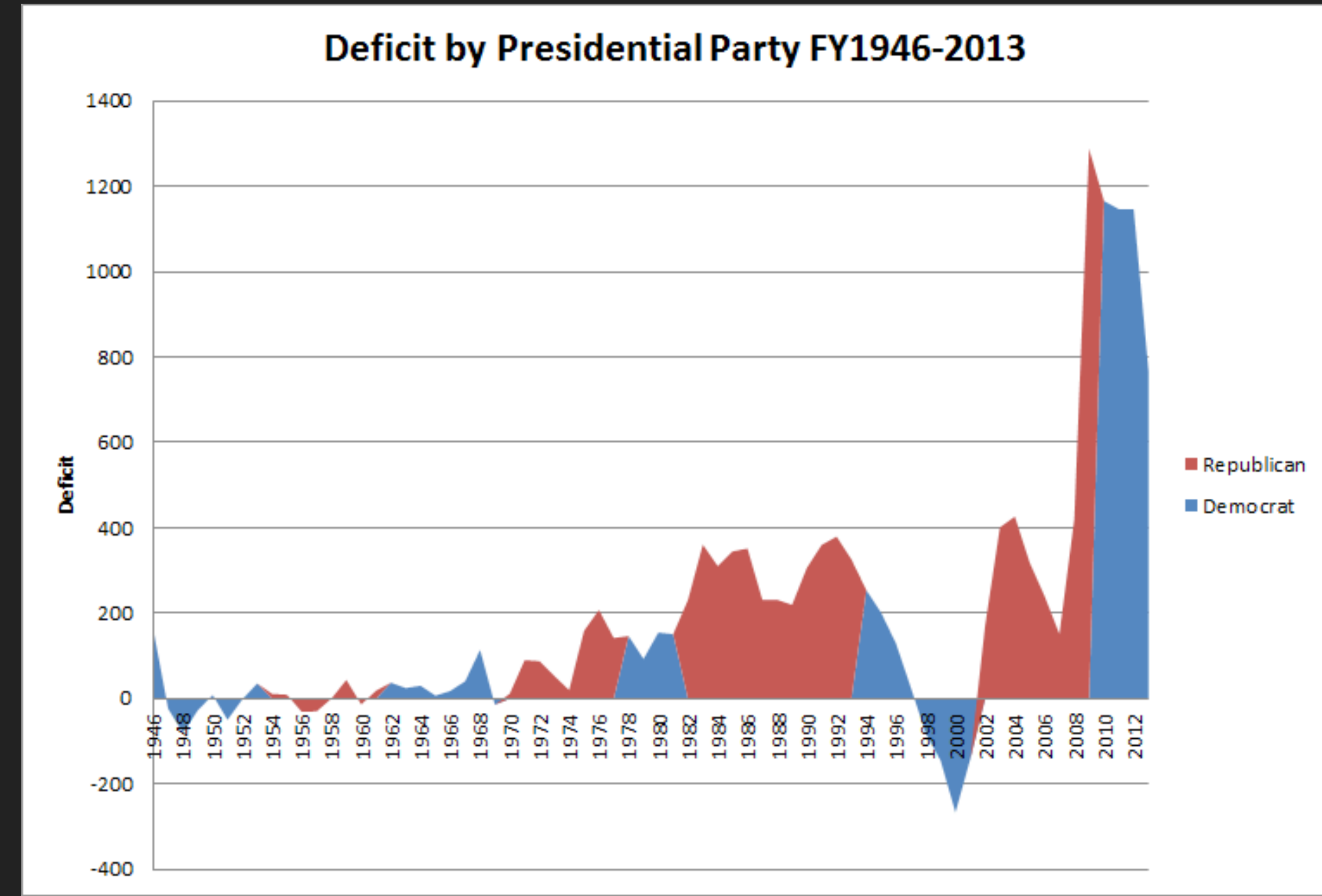


Review: What is discretionary spending?

What is the difference between the national deficit and debt?

SPENDING AND IDEOLOGY

- ▶ One interesting irony of American politics is that Republicans lead calls for **balancing the budget**, but over the past 50 years, Democratic presidents and Congresses have been better at it.
- ▶ How much of the federal budget is spent on **welfare programs** for the poor?
 - ▶ **1-2%**
- ▶ Conservatives generally call for **fiscal conservatism**, a reduction in government spending.
 - ▶ Politically, they often point to very small programs like funding for the arts and space programs, though those make up less than 1% of the budget.
- ▶ Liberals tend to defend spending more on social programs for the poor.

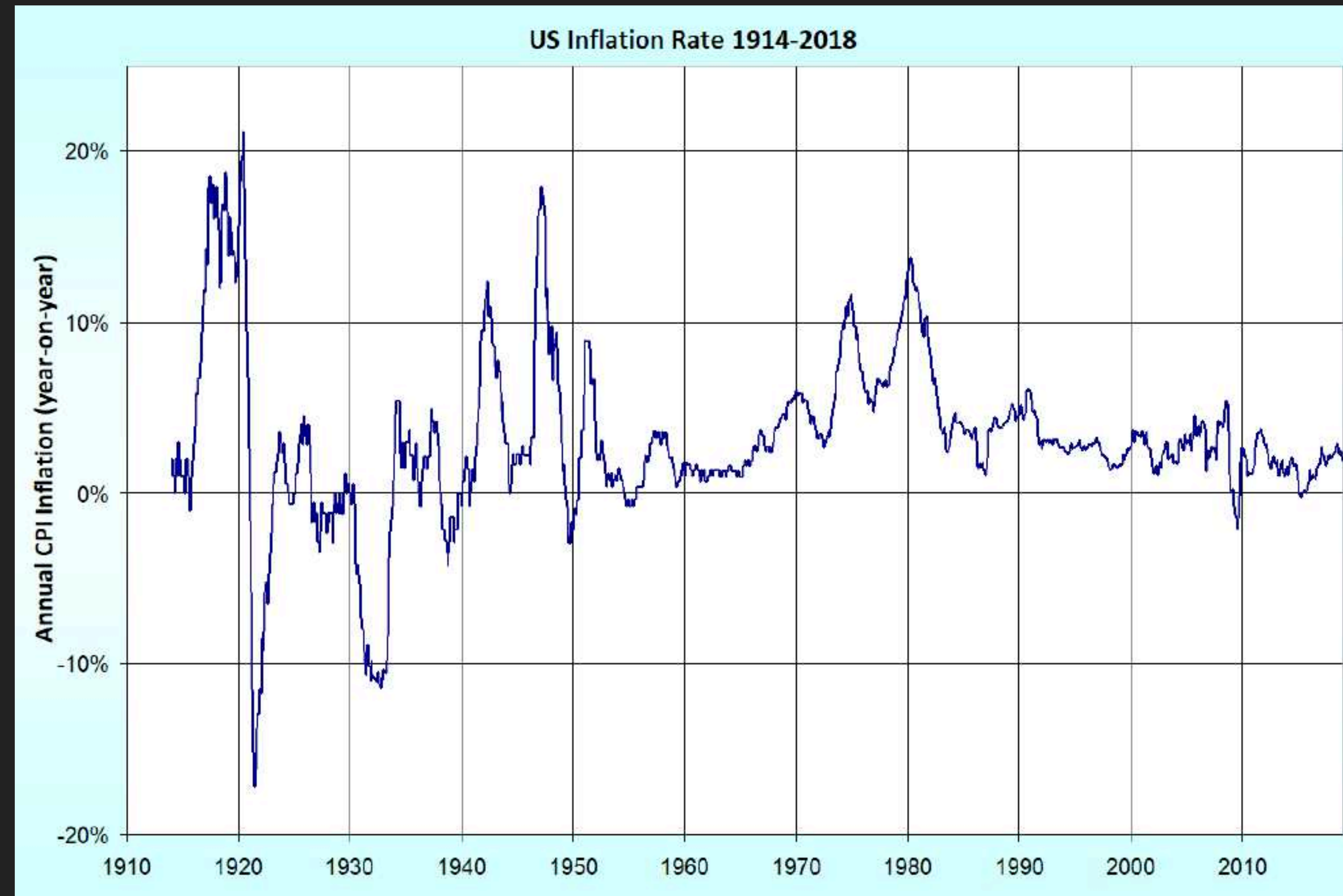




Monetary Policy & Ideology

MONETARY POLICY

- ▶ We're going to keep this simple.
- ▶ **Monetary policy** is the management of the supply of currency.
- ▶ The Federal Reserve (the central bank of the US) has a **dual mandate**:
 - ▶ Maximum employment
 - ▶ Price stability (1%-2% inflation rate goal)
- ▶ By regulating interest rates and shifting bank lending policies, the Federal Reserve tries to manage the economy.
- ▶ Conservatives tend to argue for low interest rates, while Democrats have argued that they may have caused the Great Recession of 2007-8.



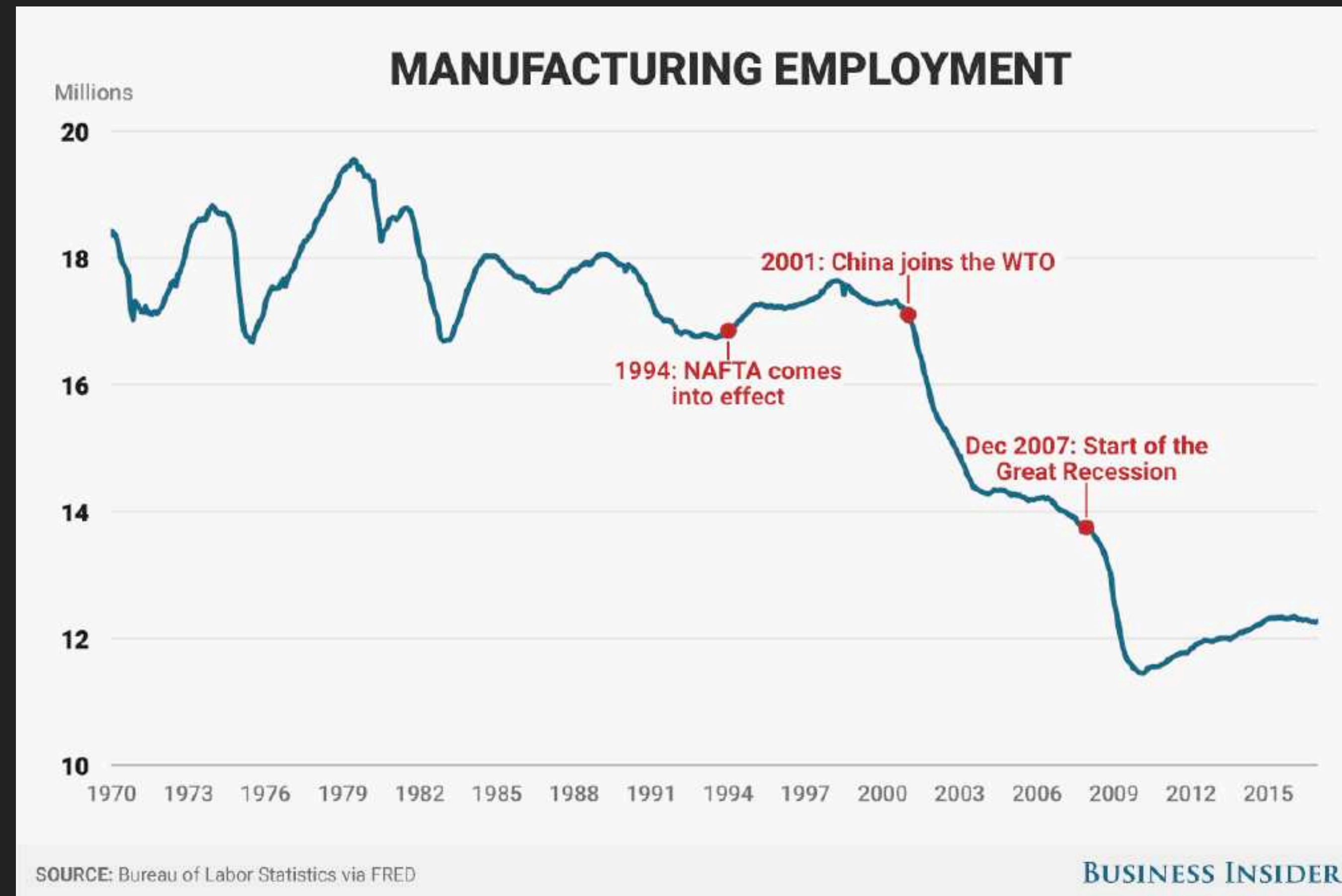


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Trade & Ideology

TRADE

- ▶ Trade is one area where policy and ideological seem to be misaligned and/or in conflict.
- ▶ The **elites** in both parties tend to favor **globalization—free trade** between nations, while lower-income workers tend to favor **protectionism**, policies designed to bolster domestic industry.
- ▶ Leftist activists, union workers, and traditionalist conservatives tend to oppose globalization, while multinational corporations support it.
- ▶ NAFTA (1994) is still an issue of conflict.



MAKE AMERICA
GREAT AGAIN
AGAIN

Social Policy & Ideology

Holtey 2021

SOCIAL SAFETY NET

- ▶ Liberals tend to support an expansive **social safety net** for people in need. These **entitlement** programs include Social Security, Medicaid, Medicare, and welfare.
- ▶ Conservatives worry that entitlement programs encourage **dependence**. They prefer individual responsibility.
- ▶ While conservatives tend to oppose the expansion of welfare, some of the most conservative reforms occurred in the 1990s under Democratic President Bill Clinton and a Republican Congress.



BILL CLINTON & NEWT GINGRICH

SOCIAL SECURITY

- ▶ **Social Security (1935)** is a self-funded program (workers and their employers each pay 6.2%) that provides \$ for retired, disabled, and survivors.
- ▶ As Americans age and the population declines, there is worry Social Security will run out of money. Some have called for **privatization**.
- ▶ Trustees have noted that reduced benefits will need to happen in 2034 w/o changes.
- ▶ Social Security is the **third rail** of American politics.
- ▶ A 2021 poll found that 73% of Americans are worried Social Security will end.



SIGNING OF SOCIAL SECURITY ACT

MEDICARE AND MEDICAID

- ▶ Medicare and Medicaid are 20% of the federal budget.
- ▶ **Medicare** is government-run health insurance for people 65+.
- ▶ **Medicaid** is government-run health insurance for those in or near poverty.
- ▶ Both programs are largely run by states.
- ▶ Some liberals are calling for **Medicare for All** as a mechanism for universal coverage.



THE GREATEST SIGN OF ALL TIME

HEALTH CARE

- ▶ In 2010, the US adopted the **Affordable Care Act (Obamacare)**. It:
 - ▶ Provided subsidized care for those in poverty.
 - ▶ Protected people with pre-existing conditions
 - ▶ Required businesses with 50+ employees to provide affordable insurance.
 - ▶ Required individuals to get insurance coverage (repealed 2018).
- ▶ What do liberals and conservatives think?

Sen. Max Baucus (D-MT)



SIGNING OF THE ACA

OTHER ISSUES

A. Which party tends to support abortion rights?

59% OF AMERICANS SAY ABORTION SHOULD BE LEGAL;
80% OF DEMOCRATS AND 35% OF REPUBLICANS

B. Which party tends to support labor unions?

55% OF AMERICANS BELIEVE UNIONS HAVE A "POSITIVE EFFECT" ON AMERICAN LIFE; 74% OF DEMOCRATS AND 34% OF REPUBLICANS.

C. Which party claims to support information/electronic privacy?

TRICK QUESTION. BOTH PARTIES SAY THEY DO BUT OFTEN VOTE TO RESTRICT IT.

D. Which party tends to support LGBTQ+ rights?

38% OF AMERICANS SAY "GREATER ACCEPTANCE OF TRANSGENDER PEOPLE IS GOOD; 59% OF DEMOCRATS, 15% OF REPUBLICANS.

E. Which party tends to support restrictions on gun ownership?

53% OF AMERICANS SAY GUN LAWS SHOULD BE STRICTER; 81% OF DEMOCRATS AND 20% OF REPUBLICANS.