

Next Social Contract Initiative and Economic Growth Program

KLUDGEOCRACY: THE AMERICAN WAY OF POLICY

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The last thirty years of American history have witnessed, at least rhetorically, a battle over the size of government.¹ Yet that is not what the history books will say the next thirty years of American politics were about. With the frontiers of the state roughly fixed, the issues that will dominate American politics going forward will concern the complexity of government, rather than its sheer size.

The next decade of American politics will see greater attention placed on the substantial amount of government action that redistributes resources upward to the wealthy and the organized, to the disadvantage of the poorer and less organized. Connected to this, greater attention will be placed on the rickety, complicated and self-defeating complexity of public policy across multiple, seemingly unrelated areas of government activity.

Conservatives over the last few years have increasingly claimed that America is, in Hayek's terms, on the road to serfdom. This is ridiculous, for it ascribes vastly greater coherence to American government than we have ever achieved. If anything, we have arrived at a form of government with no ideological justification whatsoever.

You can't solve a problem until you can name it. We have names for one axis of our politics — right vs. left, big versus small government. But voters and politicians have no name for what should be an equally important set of questions that cuts straight through those ideological divisions, which is complexity versus simplicity. The name, for a lack of a better alternative, is *kludgeocracy*.

The dictionary tells us that a kludge is “an ill-assorted collection of parts assembled to fulfill a particular purpose...a clumsy but temporarily effective solution to a particular fault or problem.” The term comes out of the world of computer programming, where a kludge is an inelegant patch put in place to be backward compatible with the rest of a system. When you add up enough kludges, you get a very complicated program, one that is hard to understand and subject to crashes. In other words, Windows.

“Clumsy but temporarily effective” also describes much of American public policy. For any particular problem we have arrived at

the most gerry-rigged, opaque and complicated response. From the mind-numbing complexity of the health care system (which has only gotten more complicated, if also more just, after the passage of Obamacare), our Byzantine system of funding higher education, and our bewildering federal-state system of governing everything from the welfare state to environmental regulation, America has chosen more indirect and incoherent policy mechanisms than any comparable country.

The great agenda of the next four years of the Obama administration, and probably the nation's next thirty, is coming to grips with kludgeocracy. But to understand how to treat our government's ailment, we first need to understand what the side effects of complexity are, and why American government is so chronically sick in the first place.

The Costs of Complexity

The most insidious feature of kludgeocracy is the hidden, indirect and frequently corrupt distribution of its costs. But those costs are real even if they are out of sight.

The price paid by ordinary citizens to comply with programmatic complexity is the most obvious downside of kludgeocracy. One of the often overlooked benefits of Social Security, for example, is that recipients silently have taxes taken out of their paycheck and then, without any effort on their part, checks begin to magically appear upon retirement.

By contrast, 401(k)s, IRAs, 529 plans and the rest of our crazy quilt of savings incentives (for retirement as well as other purposes like higher education) require enormous investments of time, effort and stress. Just for a start, equity mutual funds charge an annual fee of around one percent of assets — compounded until retirement, this reduces savings by around twenty percent.² Including items beyond the management fee (like transaction costs and the reduced returns that come from having to hold cash to deal with redemptions), can push that number up considerably.

But that's the tip of the iceberg. While Americans should just put their savings into a balanced, indexed portfolio, most do not, and in an effort to try to invest intelligently are increasingly devoting more time (and corresponding stress) to the gyrations of the markets. Entire networks like CNBC, the financial planning industry, and a small army of financial publications have sprouted up to profit off the public's confusion — and to waste time that would be better spent on almost anything else.

If anything, the transaction costs of the tax code are even more impressive. The American tax code is almost certainly the most complicated in the Western world, both on the individual and the corporate side. The IRS's taxpayer advocate estimates that the direct and indirect costs of complying with all this complexity costs Americans \$163 billion each year.³ Included in that cost is the remarkable 6.1 billion hours a year that American individuals and businesses spend complying with the filing requirements of the tax code. The web of deductions and credits also pushes up marginal tax rates for everyone: the Bowles-Simpson commission estimated that eliminating all tax deductions other than the EITC and child tax credit would allow marginal rates on middle-income taxpayers to be cut by half, and those on the top earners by about a third, without costing more money.⁴ Getting to anything like that level of tax simplicity is exceedingly unlikely, but it does show how much of a cost in higher marginal rates we are paying to preserve our kludgey tax system.

The compliance costs that kludgeocracy imposes on governments are just as impressive as those that face private citizens. The complexity of our grant-in-aid system makes the actual business of governing difficult and wasteful, sometimes with tragic

results. As Melissa Junge and Sheara Krvaric argue in a recent report, the multiple, overlapping, bewildering different federal programs for K-12 education create a “compliance mentality” among school leaders, pushing them to focus on staying on the right side of the rules and making them shy of dramatic innovations in organizing schooling.⁵

Similarly, Martha Derthick shows that the confused joint administration of the flood protection system of New Orleans played a vital role in the system’s failure during Hurricane Katrina.⁶ Derthick quotes Sen. Susan Collins as having found that there was “confusion about the basic question of who is in charge of the levees,” an inherent problem given our pervasive, kludgy interweaving of federal and state responsibilities. Because administering programs through intergovernmental cooperation introduces pervasive coordination problems into even rather simple governmental functions, the odds that programs with shared rather than solo responsibility will have unintended consequences and sluggish administration are, inevitably, high.

Kludgeocracy is also a significant threat to the quality of our democracy. The complexity that makes so much of American public policy vexing and wasteful for ordinary citizens and governments, however, is also what makes it so easy for organized interests to profit off the state’s largesse. The power of organized interests varies in direct proportion to the visibility of the issue. As Mark Smith argues in *American Business and Political Power*, corporations are most likely to get their way when political issues are out of the public gaze.⁷ It is when the “zone of conflict” expands that the power of organized interests is easiest to challenge. That is why business invests so much money in politics — to keep issues off the agenda.

Policy complexity is valuable for those seeking to extract rents from government because it muddies the waters, making it hard to see just who is benefitting and how, and so obscuring the actual mechanism of political action that it is difficult to mobilize against it. That’s why business prefers its benefits in the tax code, or in obscure regulatory advantages, rather than in straightforward handouts from the state. Politicians may posture against “corporate welfare,” but kludgeocracy makes it hard for the public to focus on the various handouts to business, and thus to effectively target their anger. The consequence is that anger diffuses onto our system of government as a whole, leading to a loss of trust and cynicism at the possibility that the public sector can be an efficient instrument of the public good.

Policy complexity also benefits interests other than business. For example, the federal government has become increasingly involved in funding K-12 education over the last fifty years. But instead of just handing over a big check to school districts on the basis of need, the federal government showers the states with dozens of different, small programs. There is not much evidence that federal funding has improved the quality of schooling, and yet the morass of federal grant programs in primary and secondary schooling survives, year after year. Why? Complexity makes it easier to organize a supportive coalition for federal education funding, by segmenting it into individual grants targeted around specific constituencies that form groups around them. The complicated structure of federal education policy has created an army of Lilliputians, who then lock in the multitude of grants even though it makes it harder to actually run school districts. Kludgeocracy ensures that what Chester Finn has called the “Blob” of education interests win, but the ability of the federal government to actually drive equality of educational opportunity loses.

Neither party is immune from the costs of policy complexity: the interests of both liberals and conservatives are ill-served by kludgeocracy. As Suzanne Mettler argues in her important recent book *The Submerged State*, our complex, hidden welfare state conceals the presence of government action, leading citizens to mistake as “private” market structures those programs that are in fact pervasively shaped by government.⁸ Mettler’s research shows that Americans who benefit from educational savings

programs through the tax code (like 529 plans) do not experience them as government at all, despite the fact that they redistribute huge sums of money. The same is true for the deduction for employer-provided health care, and a variety of other pieces of the welfare state hidden in the tax and regulatory codes. This facilitates the myth of independence and rugged individualism upon which modern conservatism is based, while also creating the impression that only other, less deserving people, are able to draw upon government largesse.

Kludgeocracy is also bad for liberalism by creating both the reality and image that government is incompetent and/or corrupt. The complexity of the tax code, for instance, facilitates tax cheating and creative accounting, and along with it the impression that tax compliance is actually lower than it is. Much of the legitimacy of the law, and the willingness of citizens to contribute to public goods, rests on the perception that others are doing their share. Complexity helps eat away at that perception, which is crucial to support the expansion of beneficial state activity.

The habit of finding sneaky ways to advance public goals in a political environment suspicious of government has also had a corrosive impact on liberalism. Searching for obscure mechanisms to plant public activism in rocky institutional and cultural soil, liberals have developed a habit of dishonesty and evasiveness rather than openly making the argument for a muscular role for government. This is why so few of liberalism's successes build a platform for new rounds of reform.

Conservatives, too, have reasons to be worried about the political costs of kludgeocracy. Pursuing public goals through regulation and litigation doesn't eliminate the costs of government, but it does make it hard for citizens to see the costs of public action, which appear in the prices of goods and services rather than on the government's books. While cutting their friends in on the action might seem like a reasonable pound of flesh to extract in exchange for permitting new areas of government activity, the real effect is to turn private actors into part of the lobby for entrenching government activity.

While liberals are harmed by the opacity of kludgeocracy's successes, conservatives are hurt by the lack of traceability of its failures. The fact that so much of our welfare state is jointly administered — either inter-governmentally or through contracting with private agents — makes it hard for Americans to attribute responsibility when things go wrong, thus leading blame to be spread over government in general, rather than affixed precisely, where such blame could do some good. The consequence of complexity, then, is diffuse cynicism, which is the opposite of the habit needed for good democratic citizenship.

The Causes of Kludgeocracy

The costs of kludgeocracy, therefore, are considerable. To do something about it, however, requires that we understand why American politics turns to kludgey solutions so regularly.

A condition as chronic as kludgeocracy is inherently multi-causal, but the key interlocking causes of kludgeocracy are the structure of American institutions, the desire to preserve the fiction of small government while also addressing public problems, and the emergence of a “kludge industry” that supplies a constant stream of complicated, roundabout solutions. I will address each in turn.

We were all taught in school that American institutions were designed to constrain the growth of government. This is, of course, why those on the right tend to defend our founding institutional heritage, while many liberals as far back as the Progressive Era

have voiced considerable skepticism. But there are reasons to be skeptical of the idea that federalism and the separation of powers limit the growth of government, since a huge pile of political science scholarship shows that when we look beyond spending and taxation and focus on policy tools that the United States has historically relied on more heavily, such as regulation, litigation, and tax expenditures, the activity of the American state is not starkly different than other industrial countries.

American institutions do, in fact, serve to constrain the most direct forms of government taxing and spending. But having done so, they do not dry up popular or special interest demands for government action, nor do they eliminate the desire of politicians to claim credit for new government activity. Public demand, when prevented from flowing directly, does not disappear. Instead, it spreads out in complicated, unpredictable ways.

The most obvious reason why American institutions generate policy complexity is our numerous veto points for action. Separation of powers means that any proposal must generate agreement at three different stages — each house of Congress and the president. But veto points turn out to be more extensive than the simple text of the constitution would imply. Most legislation has to pass through separate subcommittee and committee stages, each of which presents opportunities for legislators to stymie action. Even worse, many ambitious proposals are considered by Congress under “multiple referrals,” in which more than a single committee is given jurisdiction. This multiplies the number of veto points, as in the recently passed health care reform bill, which had to pass through five separate committees in Congress. Finally, the super-majority requirement for breaking a filibuster in the Senate, combined with the intense partisanship that accompanies most major policy reform, means that any single member of the majority party can stall the progress of legislation.

A superficial analysis would predict that this proliferation of veto points would lead to inaction, generating a systematic libertarian bias. But in practice, every veto point functions more like a toll booth, with the toll-taker able to extract a price in exchange for his or her willingness to allow legislation to keep moving. Most obviously, the toll-taker gets to gobble up pork-barrel projects for an individual district in exchange for letting legislation move onto the next step. This increases the cost of legislation, but as John Ellwood and Eric Patashnik argue, it might be a reasonable price to pay for greasing the wheels of a very complicated legislative machine.⁹

Unfortunately, the price of multiple veto points is much larger than an accounting of pork barrel projects would suggest. First, many of our legislative toll-takers have a vested interest in the status quo. In exchange for their willingness to allow action to proceed, they often require that legislation hold their favored programs harmless. Consequently, new ideas have to be layered over old programs, rather than replacing them — the textbook definition of a policy kludge. Second, the need to generate consent from so many actors makes attaining any degree of policy coherence difficult, at best. Finally, the enormous number of veto points that legislation must now pass through gives legislative strategists a strong incentive to pour everything they can into giant omnibus legislation. The multiplication of veto points, therefore, does not necessarily stop legislation from happening, but it does considerably raise its cost and, more importantly, its complexity.

America’s federal system of government also does its part to add to policy complexity. In a purely federal system, in which governmental functions were clearly differentiated between the national and state governments, that would not be the case. But that is not American federalism as currently practiced. Many of our major social programs were created when the South, and to a lesser degree urban political machines, exercised a veto over extensions of the federal government that didn’t leave administration to them.¹⁰ That decentralization was gradually eaten away through an accumulation of thousands of federal rules

and regulations, many imposed by the courts, which were layered on top of rather than substituting for programs' federal structure.

Even as the government expanded in the 1960s and 1970s, from environment to education to health care, the federal and state governments continued to be pervasively intertwined. While states and localities actually administer all of these programs, the federal government is deeply involved as a funder, regulator, standard-setter and evaluator. The consequence is the complicated “marble-cake federalism” structure that characterizes almost all domestic policy in the United States, and which makes clear lines of responsibility (as we have learned in the Katrina disaster and the BP oil spill) hard to establish.

American political culture and ideology have also, in sometimes obscure ways, contributed to kludgeocracy. One of the strongest findings in the study of American public opinion is that Americans are ideological conservatives and operational liberals. That is, they want to believe in the myth of small government while making demands on government to address pressing public problems, including poverty, retirement security, environmental protection and social mobility.

This ambivalence in public opinion creates a durable bias in the actual outputs of American government. The easiest way to satisfy both halves of the American political mind is to create programs that hide the hand of government, whether it is through tax preferences, regulation or litigation, rather than through the more transparent means of direct taxing and spending.

Where our government does spend, it increasingly does so indirectly. The myth of what Michael Greve calls “our federalism” creates a bias toward sending the money to the states, even though the cash always comes attached to a huge mass of regulations and programmatic requirements (as in dozens of grants-in-aid that go to the states to support primary and second education).¹¹ And the myth of the superiority of private business has been supported by funneling government money through contractors in the military and consultants throughout government, and government supported enterprises like Fannie Mae and Sallie Mae (which, while off-the-books, turned out to have major on-the-books consequences).

Abetting and to some degree contributing to this bias in public opinion have been the strategic decisions of conservatives over the last fifty years. A half-century ago, conservatives were unable to stop the growth of the federal government's role in education. But, as Patrick McGuinn shows, what they were able to do was to force that funding to come in the form of multiple different small programs, on the theory that these would be less likely to grow than a simple, clean handover of cash to poor districts.¹² They turned out to be wrong — targeting funding helped facilitate the growth of supportive interest groups, which has made it virtually impossible to streamline our ineffective web of federal education programs.

More recently, Republicans have faced a similar question of how to deal with an irrepressible public demand for government action, and in many cases made a decision to fold on the condition that the growth of government cut their allies in on the action. In the George W. Bush administration, Republicans sued for peace over the popular cry for a prescription drug benefit for the elderly, but had enough power to ensure that the program would not be administered through standard Medicare. Instead, as Andrea Campbell and Kim Morgan show in *The Delegated Welfare State*, conservatives insisted as a condition of their cooperation the administration of the program through privately run plans.¹³

This was more than just a payoff to business interests. Republicans hoped that avoiding Medicare administration would cut the traceability chain between citizens and government, leading the elderly to associate the improvement in their standard of living

with private providers, instead of government. If they couldn't stop the program entirely, then programmatic complexity would make it difficult for Democrats to take credit for it, or for the program to influence citizens' support for government overall.

Similar stories could be told in a variety of other policy areas, where liberals got bigger government, but conservatives funneled benefits to business while keeping liberals from reaping political credit. The conclusion of the last three decades of ideological trench warfare is that the American public got a more active, but also incoherent and frequently ineffective, state.

Finally, kludgeocracy turns out to be self-generating through the “kludge industry” that feeds off of the system's appetite for complexity. In the name of markets and innovation, and driven by increasingly strict (as well as arbitrary) limits on government personnel, the United States has created what public administrators call a “hollow state,” in which core functions of government have been hived off to private contractors, operating under the oversight of increasingly overwhelmed civil servants. Christopher McKenna, in his magnificent book *The World's Newest Profession*, shows that, for over half a century management consultants brought in to advise governments have — surprise! — regularly recommended a greater role for consultants and contractors.¹⁴

This army of consultants and contractors then became a lobby for even greater transfer of governmental functions — including, as Janine Weidel shows in *Shadow Elite*, such core roles as formulating policy recommendations and overseeing contractors.¹⁵ This “kludge industry,” having pulled the fundamental knowledge needed for government out of the state and into the private sector, thus becomes nearly indispensable. And with their large, generally non-competitive profits, the kludge industry has significant resources to invest to ensure that government programs maintain their complexity, and hence the need to purchase their services.

As vital as the material interests of consultants and contractors have been in encouraging policy complexity, an equally important role has been played by the army of think tank analysts, including those who claim to be liberals. As the institutional and cultural incentives reinforcing kludgeocracy have gotten ever tighter, the suppliers of policy ideas have generally adapted to kludgeocracy rather than resisting it. For example, instead of repeatedly making the case for the fairly simple and direct mechanisms of social insurance, writers in think tanks have pushed for often bewilderingly complicated policies to increase savings under the banner of “assets strategies.” Much of the preference for complexity comes from trying to get the equivalent of two dollars in social benefit out of one dollar (or less) in governmental effort, which has seemed increasingly vital in an era of tightened budgets. But some of it comes from a preference for the perception of what is clever, interesting or innovative, which relatively simple, direct uses of governmental brute force are not. In any case, the “suppliers” of policy ideas have tended to reinforce the bias toward complexity, when one could argue their higher obligation is to resist it.

The Cure for Kludgeocracy

Kludgeocracy is not an accident — it is a predictable consequence of deep features of the American regime. It would be facile, therefore, to pretend that its baleful effects can be reduced without major (and extremely unlikely) changes in our larger system of government and dominant values. But institutions can be changed at the margins, values can shift incrementally, and in any case knowing what one would do to reverse the problem is necessary if only to know how to keep it from getting any worse.

The deepest cause of kludgeocracy is the structure of American institutions, and the incentives that they provide for individual politicians. Any attempt to chip away at policy complexity must involve reducing the number of veto points in our system. None

of those I have in mind are actually features of our basic constitutional design, but are barnacles built up over time. If anything, removing them would lead to institutions truer to our founding design.

First, eliminate or radically reduce the filibuster in the Senate, which increases the number of members who can demand changes in legislation as the price of their vote. Second, reduce multiple referrals to Congressional committees, which create extra opportunities for rent seeking and produce policies with fundamentally divergent logics that need to be reconciled with each other (before they even reach a House-Senate conference).

Public policies would become less kludgy if Congress shifted the power over the “micro-design” of policies away from Congress and toward the agencies that will actually have to administer them once they are passed.¹⁶ This is not a plea for greater delegation of Congressional power to the executive: in some ways, it is the opposite. Congress often avoids actually making law that is worthy of the name — a general, abstract statement of authoritative values and basic policy design — and instead passes a wave of specific measures unconnected by any general logic. It does too much of what the executive is best equipped to do, and too little of what only it can command the authority. Giving the people who will actually have to administer policies greater power over their design would likely increase their simplicity.

We should also substantially reconsider of our system of federal grants to the states. Michael Greve recently suggested that we adopt a norm of “one problem, one government.” In other words, whether it is education or health care, either give the problem to the federal government or give it to the states, but don’t give it to both. If the federal government wants to expand access to health care, it should pay the bill and administer the program itself, either by creating “Medicare for All” or building a system of national exchanges and subsidies. In education, either we should considerably nationalize education (by, for example, creating a national voucher paid for out of tax funds that would go directly to individuals, and would preempt local funding through property taxes) or cut the complicated web of education finance and regulation altogether. Conceivably we could do both, relieving states of the costs of Medicaid entirely and sending education—lock, stock and barrel—back to the states.

This is an area where the conservative majority on the Supreme Court might actually generate greater pure nationalism, by establishing rules that make it harder for Democrats to expand federally-supported state-level welfare state programs (like Medicaid). Democrats will scream in the short term, but over the long term constitutional standards like these might actually serve the interests of liberalism better than the law of anything goes.

Significant institutional reform is, at best, a longshot. A more plausible target is an attack on the kludge industry, given that it both lives off of and helps create demand for policy complexity. The best place to start could be the Department of Defense, where the growth of the private military over the last few decades has been explosive, and where deficit reduction is putting the Pentagon’s budget in Congress’ crosshairs. Increasing the salaries of high-level federal workers throughout the federal government and reducing caps on their numbers could also go hand in hand with cutting the budgets that agencies have to spend on management consultants.

Perhaps the most important tool against policy complexity is a change not in institutions, interests and rules, but in ideas. All of the suggestions I have laid out in this last section will have only marginal effects unless policymakers come to be embarrassed to be associated with kludginess.

The only viable way to do so is to increase the visibility of policy complexity's costs, so that more publicly-spirited politicians seek to minimize them, while their more electorally-minded colleagues are made to worry about being held responsible for them. As the late Sen. Moynihan argued, what counts is what's counted. While CBO deficit scoring powerfully influences the alternatives politicians consider, the large compliance costs associated with kludgeocracy are uncounted, and thus invisible. Requiring that CBO issue an estimate of governmental and private compliance costs along with its deficit score would reduce somewhat the incentives to lower deficit estimates by substituting more complicated alternatives.

Few of the reforms sketched out above have much of a chance, since the institutions and practices they propose to alter are too deeply dug in to uproot. But there are levers for change short of major institutional reform, the most important of which is a shift in "problem definition." Feminism, for example, didn't become a top-shelf public problem until writers and agitators gave their grievances a publicly recognizable name. The quality of the air, water, public lands, and toxic waste were all thought of as discrete issues until writers and a nascent movement made "the environment" a problem that politicians thought of holistically. There are no natural "problems" in politics — it is through research, discussion, deliberation, and argument that we piece together the pieces of a complex world that we come to recognize as stable problems. It is often very difficult to get the political system to recognize a new problem, but once it has, and once that recognition has been entrenched through new rules and practices, it can be very sticky, with considerable implications for policy outcomes.

Making kludgeocracy into a recognized public problem will be an uphill battle. First, ordinary citizens need to be helped to see the problem, to recognize its manifestations in their ordinary lives. When they get frustrated trying to figure their way through federal education aid programs, or flustered trying to understand their taxes, or perplexed at the complications of our civil litigation system, they need to recognize their problem as a part of a larger system that connects up to other, seemingly unconnected grievances. This is, quintessentially, the work of public intellectuals, bloggers, researchers, and entrepreneurial politicians. Only the shapers of public debate can help the public recognize that the source of the insider dealing and special interest politics they detest is the policy complexity that their own ideological incoherence helps to create. Only intellectuals can help the public see that the ineffectiveness that they detest is a product, in part, of institutions and cultural values they mistakenly believe protect them against government.

Only, in short, when Americans give a name to their pain — kludgeocracy — are we likely to get a government that is simpler, more effective, and better for democracy.

Notes

¹ This paper was a product of the New America Foundation from start to finish. A few years ago, when I was a NAF fellow, Andrés Martínez suggested that the neologism I threw out over coffee — “kludgeocracy” — could be made into a serious essay. I also owe Bernard Schwartz a debt of gratitude for his generous funding of the Fellows program. I started writing this essay soon after talking to Andrés but ran out of gas. This fall, Mike Lind convinced me to dust the idea off and finally get it into print. Finally, Mike Tomasky read an earlier, and much windier, version of this and provided excellent comments.

² “Administrative Costs of Private Accounts in Social Security,” Congressional Budget Office, March 2004.

³ IRS Taxpayer Advocate Service, *2010 Annual Report to Congress*, Volume One,

⁴ The National Commission on Fiscal Responsibility and Reform, “The Moment of Truth,” December 2010,

⁵ Melissa Junge and Sheara Krvaric, “Federal Compliance Works Against Education Policy Goals,” *AEI Education Outlook* No. 6, July 2011,

⁶ Martha Derthick, “Where Federalism Didn’t Fail,” *Public Administration Review*, December 2007, pp. 36-47.

⁷ Mark Smith, *American Business and Political Power: Public Opinion, Elections and Democracy* (Chicago: University of Chicago Press, 2000).

⁸ Suzanne Mettler, *The Submerged State: How Invisible Government Policies Undermine American Democracy* (Chicago: University of Chicago Press, 2011).

⁹ John Ellwood and Eric Patashnik, “In Praise of Pork,” *The Public Interest*, Winter 1993, pp. 19-33.

¹⁰ The best study of the early sources of our federal kludges is Elizabeth Clemens, “Lineages of the Rube Goldberg State: Building and Blurring Public Programs, 1900-1940,” in Ian Shapiro, Stephen Skowronek and Daniel Galvin, *Rethinking Political Institutions: The Art of the State* (New York: NYU Press, 2006). The desire of urban political machines to capture federal spending to perpetuate their own local power is analyzed in Steven Erie, *Rainbow’s End: Irish-Americans and the Dilemmas of Urban Machine Politics, 1840-1985* (Berkeley: University of California Press, 1990).

¹¹ Michael Greve, *The Upside Down Constitution* (Cambridge: Harvard University Press, 2012).

¹² Patrick McGuinn, “Education Policy from the Great Society to 1980: The Expansion and Institutionalization of the Federal Role in Schools,” in Brian Glenn and Steven Teles, eds., *Conservatism and American Political Development* (Oxford: Oxford University Press, 2009).

¹³ Kimberly Morgan and Andrea Campbell, *The Delegated Welfare State: Medicare, Markets and the Governance of Social Policy* (Oxford: Oxford University Press, 2011).

¹⁴ Christopher McKenna, *The World’s Newest Profession: Management Consultants in the Twentieth Century* (Cambridge: Cambridge University Press, 2006).

¹⁵ Janine Wedel, *Shadow Elite: How the World’s New Power Brokers Undermine Democracy, Government and the Free Market* (New York: Basic, 2009).

¹⁶ Something similar was proposed by Alan Blinder in “Is Government Too Political?,” *Foreign Affairs*, November/December 1997, pp. 115-126.

About the Project

The Next Social Contract Initiative aims to rethink our inherited social contract, the system of institutions and policies designed to empower and support citizens from childhood through work and retirement. Inspired by the premise that economic security and opportunity are mutually reinforcing, a new social contract should foster innovation and openness, encourage long-term growth and broadly shared prosperity, and engage individuals and families not only as participants in the economy but also as citizens.

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