WHY IS PUBLIC POLICY SO HARD?
THE EXCLUDED YET ATTENTIVE CITIZEN

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In the statement of scope for this workshop, we find the following claim:

A main characteristic (of public policy) is that the pressure for a policy response is a bottom-up movement characterised by the presence of advocacy or lobbying groups, multiple stakeholders, often different views about desirable outcomes and active involvement of the media. Other characteristics of interest are the presence of an ethical or values dimension which may differ within and between countries; uncertainty about processes or impacts or other forms of unknown or inaccessible knowledge such as uncertainties about scientific evidence; information asymmetries; different perceptions of or aversion to risk and possible irreversibilities. The purpose of this Workshop is to explore the characteristics of societal concerns that are relevant for designing policy responses to them, both in a purely domestic context and in the more complex setting of international trade and international obligations.

I find this to be a nice statement of the problem and I will therefore draw on it for guidance and inspiration in what I wish to say here. I will start by answering the question posed in my title - public policy is hard precisely because many members of the scientific community act as if they have the correct and pertinent answers to the questions put to them. Compounding the problem is that the general public is often unimpressed with what scientists offer up. And when there is a desire (or a need) to harmonise policies across disparate nation-states then the potential for policy dissonance is practically overwhelming. How can we be surprised at this situation?

We can only be surprised if we maintain a child-like innocence of what public policy entails. Perhaps public policy is simply the attainment of Adam Smith-like harmony by other means? Or perhaps it is difficult precisely because public policy is not about different individuals arguing over what they want. Rather, public policy is a process of working out what disparate individuals want as they work their way through what it seems possible for them to get (to have). I suggest this latter interpretation of policy is the pertinent one.

This is not the standard account of public policy in the eyes of the economist. Actually, economists tend to have two visions of public policy — one vision concerns how public policy actually works, and a second vision concerning how it ought to work. The first vision sees public policy as a coming together of clashing interest groups (with their various experts) intent on twisting some vexing policy problem to their particular advantage. The experts have their specific knowledge and the interest groups have their interests. On this telling the powerful interest groups win out over the weaker ones and the process ratchets

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forward. All sides to each debate bring their experts to offer self-serving testimony, and the poor policy maker, as with Solomon, is faced with the impossible task of divining the truth from among the Babelian cacophony. This is the cynical view of public policy to which many economists subscribe. The prescriptive vision is to bring public policy more in line with the rational-actor model prevalent in our textbooks. Here clear goals and objectives are set down, alternative means are identified, and then optimising choices are made. This latter view about proper public policy was no doubt aided by Kenneth Arrow’s influential book in which it was argued that there are two means by which “social choices” are made - politics and the market. When Arrow went on to show that collective action in a democratic (voting) setting could not deliver consistent results, the implication was that only markets could be relied upon. The way was cleared to insist that markets - or market-like arrangements - would produce consistent choices. The greater flaw is that markets are not, and cannot, be means for arriving at collective choices. Markets are mere compilation machines for millions of atomistic (individual) consumption and investment decisions. While the aggregate of these atomistic choices hold implications for social (collective) outcomes, it cannot possibly be true that markets are a means for making social choices.

Moreover, the market ideal advanced by economists, predicated on rational-choice models, presents a vexing problem of uncertainty - what Russell Hardin terms indeterminacy (Hardin, 2003). By indeterminacy Hardin means a situation in which the chooser - whether an individual or a parliament - is unable to be sure that the specific intention that underwrites the particular choice will indeed result in the specific outcome that was the explicit reason for the specific intention and the implicated choice. In writing about just how difficult this is, Hardin notes that:

“...people often do not understand how different strategies affect their interests. This should not be surprising... Strategic and stochastic thinking are hard. Indeed, they are hard even for those who are sophisticated theorists of them. However, people are not especially good at understanding causal relations either, and yet they manage to get through life most of the time. Our task in explaining their successes and failures is often the task of understanding how they choose to deal with indeterminacies that often swamp reason.” (Hardin, 2003, pp. 136-7)

One is left with the impression that it is the world’s fault that individuals cannot make the right (correct) choices (Bromley, 2007). It is the world’s fault that “good” theories of choice are difficult to construct. Strategic and stochastic thinking are hard - even for the sophisticated theorists of strategic and stochastic choice. Mere mortals are not very good at causal relations either.

We see here two accounts of collective choice - one spelling out how perverse and misguided it is, and the other spelling out just how hard it is to bring it in line with the economist’s ideal. In the face of these views it is a wonder that any collective choice is possible. I suggest that the cynical view is a gross exaggeration, and the desire to push public policy in the direction of rational-choice models of economics is misguided.
Getting concepts right

The interesting and pertinent problem is not that public policy is difficult. The problem is that economists and some political scientists have problematised individual and group choice in a way that makes it seem harder than it is. Hardin’s interest in indeterminacy arises because he believes indeterminacy has been ignored in order to preserve the purity of rational-choice theory. The problem, according to Hardin, is that indeterminacy emerges from the inevitable mismatch of the preferences of all those in the interaction when any one individual undertakes choice. In addition, Hardin claims that agents do not have clear ideas about what their intentions and associated actions will produce in the way of outcomes.

We see that “social indeterminacy is a problem of set-theoretic choice rather than of physical possibilities. The central problem is indeterminacy of reason in the face of strategic interaction” (Hardin, 2003, p. 8). That is, reason fails us (is indeterminate of what is best to do) because of the reality of the context of choice. Notice the use of the word reason here. It seems that Hardin uses reason to denote a perfect mapping between the intentions of an agent and the realisation of those intentions (outcomes) once choice has been made. That is, he seems to wish reason to connote a process in which there is perfect correspondence between intentions, actions, and outcomes. When that mapping is not perfect, reason appears to have failed the agent – or the agent’s reasoning was faulty. Hardin’s diagnosis of the difficulty in public policy is fairly typical of many political scientists and economists. And according to his assessment, there are few prospects for bringing rationality to public choice. It is here that Hardin stumbles on his own conceptual framing of the choice problem. Hardin is not alone. Indeed, the standard rational-choice approach to public policy is equally flawed.

In what follows, I will spell out an approach to public policy that allows us to avoid the conceptual incoherence of standard economic models, and that also reveals how to incorporate “societal concerns” into the policy process.

Individual action

The solution to the problems identified above is straightforward if we start with the idea that the fundamental purpose of reason in individual and public choice is to contend with the fact that the world is indeterminate. The theory of human choice and action that I will offer does not start with the odd notion that indeterminacy defeats reason, but with the idea that the purpose of reason is to defeat indeterminacy. That is, the reason we reason is precisely because as evolved sapient agents we have good reason to believe that the world out there is not a machine but is, instead, stochastic both on its own (nature is indeterminate), and because others are out there doing their own reasoning and choosing and acting - the aggregate of which means that the future changes in the very process of us seeking to go there. Is that not the plausible purpose of reason? Indeed if there were no indeterminacy we would hardly need reason at all - we would merely need to calculate in order to know the best thing to do. But to calculate is not to exercise choice. Calculation is the logic of mechanical determinism.

To suggest that indeterminacy swamps (or defeats) reason is to regard human choice and action as a machine process in which right (good, perfect) calculations are necessary and sufficient to produce right (good, perfect) outcomes. This idealised vision of choice is precisely where rational-choice thinking in economics has done so much mischief. If choice is merely calculation over probabilistic outcomes then we should stop using the word choice and recognise that individuals act not by choosing but by doing what is necessary on the basis of their flawless calculations. Individual action—and by extension collective action
(what we call public policy) - is not a machine process and it cannot possibly be thought of as an exercise in rational choice. Decisions about the future are contestations among thoughts about the future. To quote G.L.S. Shackle: “Choice, inescapably, is choice amongst thoughts, and thoughts…are not given (Shackle, 1961, pp. 272-73).

The question then becomes: how might we think of choice and action in a way that gives a role for reason and reason giving? I propose that volitional pragmatism offers that prospect (Bromley, 2006). Volitional pragmatism starts by acknowledging complexity in the world around us. That is, rather than complaining that individual and collective choice (public policy) do not conform to our idealised model of rational choice; volitional pragmatism takes the world as it is and offers an approach to choice and action. Pragmatism holds that we do not know what we want until we begin the task of determining - learning about - what we might plausibly have. That is, pragmatism regards all human action as a diagnostic undertaking in the quest for valuable belief—the only category of belief that provides reasons for human action. To quote Hans Joas:

In pragmatism, precisely because it considers all psychical operations in the light of their functionality for action, it becomes impossible to hold the position that the setting of an end is an act of consciousness per se that occurs outside of contexts of action. Rather, the setting of an end can only be the result of reflection on resistances met by conduct that is oriented in a number of different ways. Should it prove impossible to follow simultaneously all the various guiding impulses or compulsions to action, a selection of a dominant motive can take place which then, as an end, dominates the other motives or allows them to become effective only in a subordinate manner... action is teleological only in a diffuse fashion. Even our perception is shaped by our capacities and the possibilities for action. (Joas 1993, p. 21)

We see here recognition of the many images of action, and we see that the setting of ends outside of the context of action is psychologically impossible. That is, the prior specification of future outcomes is impossible until those who must act are in a context to act. Action is a diagnostic undertaking, and diagnosis is an example of abduction. Abduction brings together observed phenomena with particular axioms to suggest hypotheses and assumptions that offer plausible reasons for the observed phenomena. An abductive syllogism is of the form:

The surprising fact, C, is observed:

- But if A were true, C would be a matter of course,
- Hence, there is reason to suspect A is true.

Abduction starts when particular circumstances and events are encountered and we find ourselves in need of an explanation. That is, human action is animated by doubt and surprise. Why are GMO crops accepted in America but are frowned upon in much of Europe? Why do agricultural subsidies persist? Why is the EU’s Common Agriculture Policy the source of so much contention? Charles Sanders Peirce talked of the “irritation of doubt.” The essential purpose of abduction is the production of belief about specific events. To Peirce, “…the action of thought is excited by the irritation of doubt, and ceases when belief is attained; so that the production of belief is the sole function of thought (Peirce 1957, p. 36).”

When individuals or collections of individuals face the need to choose (to act), abduction is the process we deploy to get a grip on the reason for the new surprise - that surprise (and its reasons) constituting the necessary precursor to choice and action. Diagnostic thought is deployed for the sole purpose of fixing belief. And a belief is that upon which we are prepared to act. Pragmatists consider our individual comprehensions of the settings and circumstances within which we are situated to be necessarily limited to impressions of the
world around us. And most importantly, different individuals necessarily formulate and hold different impressions. To put the matter another way, claims of “truth” about the world around us is a property of statements about that world. Truth is not a property of objects and events - the “thing in itself”. Individuals do not argue about objects and events - they discuss and argue about statements about, and descriptions of, objects and events.

Each of us apprehends the settings and circumstances within which we are situated, and these apprehended phenomena become our impressions of those settings and circumstances. When we describe these impressions, the descriptions (and re-descriptions) constitute our expressions about the world around us. These expressions are the stories we tell to ourselves and to others. More importantly, these expressions form the mental stage on which we live. This stage constitutes our individually perceived and individually constructed “reality”. This particular reality “belongs to” the individual who created it. Our interest here in “societal concerns” can now be understood as the particular issues that agitate different individuals in the area of agricultural and trade policy.

Notice that the essential function of expressions is to constitute (to construct) the mental stage onto which we might then project our imaginings of future outcomes to see how they will “play out” - plausibly materialise. It is here that we formulate the reasons that will come to provide the grounds for choosing among the array of plausible created imaginings. Individual choice and action is a contest between expressions and imaginings. We are situated in a constructed reality (an expression), and we continually reflect on alternative created imaginings. This deliberation consists in checking these imaginings against our expressions of the present and of the imagined future. We act when we find a feasible created imagining that meets our expectations about outcomes in the future. And of course we also act when we reject all created imaginings (perhaps because they seem infeasible) and stick with our current action trajectory.

**Joint action**

Let us now turn to public policy. The difficulty here should be obvious. The foremost burden in joint action is the necessity to deal with a multitude of contending expressions. As Peirce insisted, “the meaning of an object to us is nothing but the sum of its perceived effects” (Peirce 1934). It follows that each of us will have quite distinct expressions about the world “as it is” and about our place in that world.

We see that the central challenge in collective action (public policy) is for the pertinent decision group(s) to work out a reconciliation of the multitude of expressions and imaginings about the future. Progress in such difficult matters is to be found in reasoned debate - the asking for and giving of reasons (Brandom 1994, 2000). Joint action is contentious because of the reality of contending expressions. Because joint action must ultimately result in but a single choice (coordinated and coincident action), contending expressions are inevitably confronted by contending created imaginings. The participants in that process bring differing expressions about the status quo ante, and quite different created imaginings about the prospects for the future.

**Public policy**

I have insisted that it is incoherent to think of public policy in terms of rational choice models. Public policy redefines fields of action (choice sets) for individuals - public policy reallocates income and wealth streams. Public policy forces some people to change the ways they have been doing certain things. It is the purpose of collective action - and it is the business of the political entities in nation-states - to craft remedies for emerging problematic settings and circumstances. Whether for village councils, national parliaments, supra-
national bodies such as the European Parliament, or the United Nations, the task of public policy is an ongoing search for plausible and acceptable solutions to new unwanted circumstances. Public policy defines new realms of individual action. That is why public policy is contentious.

Public policy is nothing but thinking about, weighing, and ultimately choosing among alternative institutional setups that will give rise to alternative imagined and plausible futures. Rationing transactions - institutional changes - redefine realms of individual action, and thereby redirect income flows. But the futures of central concern to citizens, members of parliaments, and the courts are only imagined futures (Shackle 1961). To Shackle, actions that can still be chosen or rejected on the basis of their plausible implications for the future have no objective outcomes associated with those available actions. The only outcomes that such actions can have merely exist in the mind - the imagination - of the decision-maker(s). This means, quite simply, that outcomes of available actions are not ascertained (or discovered) but created. This is a central aspect of volitional pragmatism (Bromley, 2006, 2008).

Institutional change entails the formulation and implementation of created imaginings. This approach may be easier to apprehend if we start with the idea that all institutional change entails three steps. The first step is recognition on the part of affected individuals that the status quo institutional setup induces particular individual behaviours, the aggregate of which gives rise to realised outcomes that are no longer regarded as acceptable - or as reasonable.

Perhaps the health-care system is creaking under excessive demands, a shortage of health professionals, and antiquated facilities. Perhaps schools are failing to meet the expectations that parents and politicians have for them. Perhaps the food supply has come under suspicion for harbouring contagious diseases. Perhaps there are concerns about genetically modified organisms making their way into natural habitats and destroying particular ecological settings. These unsettling circumstances do not just materialise out of thin air - nor do they exist without a reason. Rather, they are the products (results) of individual behaviours that are themselves the inevitable and “rational” economising entailments of the existing institutional arrangements.

We see that the existing constellation of institutions gives rise to individual behaviours, the aggregate of which generate acceptable outcomes, or else such behaviours generate unacceptable outcomes. It is the emerging awareness of defective outcomes that is at the root of a growing dissatisfaction with the status quo ante, and it is precisely these dissatisfactions that become the essential catalyst of nascent demands for institutional change. I suggest that public policy is motivated by an inchoate yet emerging recognition that something must be done about existing institutional settings and their associated outcomes to mitigate probable harms that would otherwise emanate from a continuation of the status quo ante institutional setup. On this view, institutional change is provoked and motivated by a shared apprehension concerning unwanted created imaginings in the future. This perspective accords explicit recognition to the work in prospect theory indicating that humans have a greater distaste for losses from a status quo position than for the gains that may arise from changes in that status quo (Kahneman and Tversky 1979; Tversky and Kahneman 1987).

Once this galvanising condition has been met, institutional change still requires two more conditions. The first of these concerns new created imaginings. We may usefully regard these imaginings as families of hypothetical propositions of the sort: if $X_i$ then $Y_i$ where the subscript $i$ relates to the proposition held by the $i^{th}$ member of the community - whether citizen or politician. The essence of created imaginings is that they allow members of a
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Democratic society to create mappings of plausible outcomes (imaginings) from the enactment of new institutional arrangements. Just imagine what the health care system might become if only we could increase the number of doctors by 20% over the next five years. Imagine how the wait for elective surgery might be reduced if only we could increase the number of spaces in hospitals by 10% over the next decade.

Of course individuals will create different imaginings about possible outcomes. This should not surprise us. We have different imaginings because the available actions are novel events in our lives. We have not done that before, so why should it be supposed that each of us could have definitive data and similar imaginings concerning precisely what will transpire? As Shackle says, “an action which can still be chosen or rejected has no objective outcome” (Shackle 1961, p. 143). This is precisely why there are consultants, parliamentary (legislative) committees, elaborate hearings, independent research organisations (“think tanks”), advisors, experts, and indeed entire sectors engaged in the task of creating plausible imaginings. If the task were easy and straightforward many people would need to find other lines of work.

Once there is an emergence of plausible created imaginings, we begin to approach the final stage of institutional change - policy formulation. Democratic market economies are in continual need of new created imaginings as new problems and new opportunities arise almost on a daily basis. Those who celebrate the dynamic properties of markets are telling us only half of the story. The real dynamism of democratic capitalism is that the existing institutional arrangements are regarded as the indispensable malleable architecture for adaptation. With this idea at hand, it is easy to see that this cacophony of created imaginings will evolve from just that - an inchoate cacophony - into a slowly coalescing and emerging consensus that begins to narrow the range of institutional alternatives and plausible imaginings.

When the process of sifting and winnowing through the various created imaginings reaches the point that several of them have come to dominate the others, the third essential component of institutional change comes in to play. This final stage is the actual process whereby the working rules (or entitlements) of the economy are modified for the explicit purpose of implementing one of these dominating created imaginings. We may properly consider this emergent and now reigning imagining as the reason for the new institutional arrangements. That is, the emergent created imagining is the outcome in the future for the sake of which the new institutional arrangements must be implemented now. This dominant imagining comprises the sufficient reason for the new institutions. It explains the institutional change.

The process is repeated ad infinitum in a democratic market economy. That is, such economies are engaged in a continual process of: (1) Assessing existing settings and circumstances; (2) searching for plausibly causal (epistemic) connections between those outcomes and the institutional arrangements on which they are plausibly predicated; (3) formulating new created imaginings; (4) working out the political arrangements to discard the most implausible imaginings; (5) searching for and articulating the plausible mappings between surviving created imaginings and the institutional arrangements that are their plausible explanations; and (6) undertaking collective action in the parliaments, the executive branch, and the courts to modify the implicated institutional arrangements from their status quo configuration to a new and plausible configuration that will - on the newly accepted emergent imagining - plausibly lead to the desired outcomes in the future.

I have insisted that public policy is collective action in restraint, liberation, and expansion of individual action. And I have argued that the essence of public policy is that of rationing
(redefining) economic settings and circumstances. Public policy is the essence of what we call a rationing transaction because the actions of the legislatures/parliaments and the courts redirect or reallocate economic opportunities for differentially situated individuals. Public policy necessarily advances the economic and social agenda of some individuals, and it impedes the economic and social agenda of others. Individuals will struggle to have their interests represented in that process, but there can be no doubt that public policy is precisely concerned with such reallocations of relative advantage in the economy.

Institutional change is a central aspect of the modern nation-state precisely because the essence of our existence is the continual adaptation to new settings and circumstances, new opportunities, and new unwanted outcomes. The puzzle is not that institutions undergo reconsideration and alteration. The analytical challenge for social scientists is to understand why these processes look as they do in democratic market economies.

Collective choice is a process of reconciling contending expressions and imaginings, and this is an essential activity leading to the formulation of what seems best, in the eyes of the individual (or of the group), to do. Individuals and groups work out what seems best by working out what seems possible as they work their way toward what they will come to realize seems best. The process entails not only working out the best means but also the best ends. Notice that this account is at odds with the decision process as envisaged by many economists.

The arrival at a consensus about what is better to do is always predicated upon a clear but evolving notion of the purposes of the future - an outcome in the future for the sake of which action must be taken today. Recall that this is what philosophers call final cause. Purpose is central to pragmatism, and settled belief about both purpose and how to get there represent the essence of “correct” thoughts and belief about the appropriate action to be taken. Richard Rorty insists that the right question to ask is: “For what purposes would it be useful to hold that belief?” (Rorty 1999, p. xxiv). He sees this question as rather akin to asking: for what purposes would it be useful to load that particular program onto my computer?

We have here a debate about the true and the quest to justify claims about the true. I have earlier pointed out that pragmatism insists that the word “true” does not apply to events and objects in the world around us. Rather, the word “true” applies to statements about events and objects in that world. In other words, truth is not a property of perfect correspondence between propositions (words) and particular events and objects to which those propositions (words) refer - between language and things (signs and objects). Truth is not denotative. Truth is, instead, a property of particular statements (words) about specific events and objects - between contending linguistic claims. Truth is connotative.

Implications

Human choice and action is properly characterised as prospective volition - the human will in action, looking to the future, trying to determine how that future ought to unfold. As this process evolves, individuals (and groups of individuals) bring contending expressions and imaginings to the task of choice and action. Individuals (and groups) do not know precisely what they want until they are able to work out what they seem able to have. Surprise motivates action. This process of working out plausible futures entails the consideration of plausible imaginings in conjunction with existing expressions about current and possible future situatedness. Group action is more complicated than individual action because it requires reconciliation of disparate and contending individual expressions and imaginings until a consensus emerges - the properties of which are that this consensus is regarded as; (1) feasible; and (2) the best thing to do at this particular time. This process can
be thought of as an exercise in pleading, resistance, persuasion, cautious acquiescence, and eventual emergence of a consensus.

The two properties of that consensus - feasible and best at this time - represent judgments reached by those individuals who are responsible for collective action. Notice that this judgment is something that can only emerge as individuals and groups contend with the need to reconcile disparate expressions and disparate created imaginings. The first step in this process of working out an emergent consensus is necessarily confined to legislators, administrators, and judges. In a democracy, the second step is to justify this agreement to the political community whose individual actions will be restrained, liberated, and expanded. In the absence of this justification, collective action will lack legitimacy. This justification to the larger political community necessarily entails the giving of reasons for the decision reached. The process of giving reasons must be carefully crafted so that the reasons given match as closely as possible the asking for reasons that is expected from the political community to whom the collective action is directed (Brandom 2000). This activity is properly thought of justification in the service of emergent consent.

Our interest in “societal concerns” seems to arise from the fact that a large number of individuals believe they are excluded from the discourse about agricultural and trade policy. This is no surprise. In many countries agricultural policy - and to a lesser extent trade policy — are indeed regarded as the private realm of particular important interests. Efforts by urban constituents to break into the action are rarely successful.

It is my view that the dominant mental framings of public policy — that it is the proper realm of the experts, or that it is in need of a serious infusion of rational - choice theory — serve to keep the necessary policy discourse attenuated. Volitional pragmatism offers, I suggest, a fresh perspective on the need for greater openness to those societal concerns that now seem excluded.
References

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