

SGI Sustainable Governance
Indicators 2009

United States report



Executive summary

Before the period under review (2005–2007), the United States had achieved many of the macroeconomic reform goals that other OECD countries are still striving to achieve. Nevertheless, that does not mean that there have been no reform activities. The yet-to-be-completed reforms of the immigration law and the Social Security system are outstanding examples. The reform agenda also includes issues related to development aid, energy and environmental policy, and security policy issues.

With enlarged Republican majorities in both houses, Congress passed the Energy Policy Act of 2005, which President Bush had been seeking since 2001. The act was aimed at combating growing energy problems and provides tax incentives and loan guarantees for energy production within the United States. It was equally targeted at reducing American dependence on foreign oil supplies and at promoting the development of innovative technologies for traditional energy sources, such as nuclear power and coal (especially to decrease greenhouse gas emissions) and at promoting the whole range of alternative energy sources. This reform had a foreign-security dimension as well.

To further reduce dependence on foreign oil supplies, energy legislation was enacted in 2006 that opens sections of the Gulf of Mexico outside a range of 125 miles from the Florida Panhandle to oil drilling. In addition to the Energy Policy Act of 2005, environmental policy was restricted to actions at the state level. President Bush still refuses to ask Congress to ratify the Kyoto Protocol that was signed by his predecessor, Bill Clinton.

As the centerpiece of his second term, President Bush made a major effort to reform the Social Security system, but his proposal failed to gain adequate support from even his own party in Congress. The case illustrates the old maxim that “Social Security is the third rail of American politics – touch it, and you die.”

In order to improve the comparatively low standard of American primary and secondary education, the president has encouraged the states to implement the hotly debated projects for grade- and high-school vouchers allowing attendance at private schools. These have been introduced in some six states and districts.

President George W. Bush has declared himself to be in favor of introducing it nationwide, and, as of 2006, the federal government is funding and operating the country's largest voucher program for evacuees from the region affected by Hurricane Katrina.

In his second term of office, President George W. Bush has pushed for reform of immigration laws. Well over 10 million Latin Americans have already come across the Mexican-American border, and about 500,000 more are coming each year. They work illegally in the United States at pitifully low wages. Although their children have access to the American school system, they are not entitled to public social-welfare payments, Medicaid or other benefits from government programs. Instead, Congress decided on repressive measures. The Real ID Act of 2005 created more restrictions on political asylum, severely curtailed habeas corpus relief for illegal immigrants, increased immigration-enforcement mechanisms, altered judicial review and imposed federal restrictions on the issuance of state driver's licenses to illegal immigrants.

Congress has appropriated additional funds to strengthen border controls and to start erecting a fence at preferred breakthrough points along the border. But the 2006 initiative in the Senate to reform the immigration law in such a way that it would open a chance for illegal immigrants who have already been in the United States for at least 5 years to legalize their status was stalled in Congress in 2007, despite President Bush's strong backing.

In terms of internal-security policy, the United States has refined its investigative methods ushered in by the USA Patriot Act of 2001 and the Homeland Security Act of 2002. In terms of external-security policy, it has reacted to new risks, such as the presumed development of nuclear weapons by "rogue states," including North Korea and Iran.

As usual, the United States government has approached the issue in a carrot-and-stick fashion, after having aligned interested regional partners and working with the U.N. Security Council and the International Atomic Energy Agency (IAEA) to internationally back up its demands for an end to nuclear-weapons development in those countries. While the United States plays the "stick" part with its own military power, it lets countries in Europe and East Asia perform the "carrot" part by heading negotiation efforts. When the United States finally became willing to join the negotiations with North Korea in 2007 and offered energy aid in return for the country's renouncing nuclear development, a deal with North Korea was finally struck.

As part of its security policy in that region, the United States also made use of foreign-trade policy. It concluded a free-trade agreement with South Korea in 2007, thus binding it not only economically, but also politically, closer to the

United States, while at the same time luring North Korea into the shared prosperity zone and thus into closer ties with South Korea. In the case of Iran, an agreement has not yet been reached. Instead, the United States has been developing and pursuing a project to station anti-ballistic missiles and the necessary electronic equipment in Poland and the Czech Republic in a few years. The U.S. government sees this as a forward-looking preventive measure against a nuclear attack on Europe, whether it comes from Iran or terrorist organizations in other countries in that region.

On other fronts, especially regarding the strategic capability of government, the U.S. administration has been the scourge of reform capability, shaping an executive branch that is capable of little more than ideological consistency and protection of the president's political interests. The calamity of the government's response to Hurricane Katrina, for example, is an apt symbol of its contemporary capability.

In sum, the period from January 2005 to March 2007 has not been a productive one from the standpoint of policy, institutional or management reform in the United States. This changed only slightly after the Democratic Party took control of Congress after their midterm election victory in late 2006. The new congressional majority moved forcefully to implement its program, which included lobbying reform and raising the minimum wage.

Beyond that, however, the new congressional majority has fallen short of fulfilling its ambitions. It has not been able to force a timetable for the withdrawal of U.S. military forces from Iraq, and the energy bill has only resulted in minor changes in energy consumption. Furthermore, although the issue of climate change has attracted more attention, no definitive path has been agreed on. The Democratic majority has also failed to push through a more generous health program for children. A bipartisan immigration reform bill, combining amnesty with improved border measures, failed despite presidential support.

In the end, the U.S. political system has been characterized by the deadlock typical of a divided government, and there have been sharp increases in the use of presidential vetoes and senatorial filibusters. It is unlikely that the 110th Congress will be able to tackle the major national challenges during the rest of its term, particularly in view of the fact that 2008 is a presidential election year. Tackling those challenges will fall to the new president and his or her administration.

Strategic Outlook

The congressional elections of 2006 already revealed a deep-seated desire for change in the United States. The Democrats captured both houses of Congress despite deeply ingrained institutional barriers to change, such as incumbency-advantaged, homogeneous and seemingly noncompetitive districts. The push for change is also evident in the presidential race of 2008.

On the domestic-policy level, tax policy is out of line with fiscal sustainability. In this respect, the United States numbers among the worst-performing OECD countries. Although one must take into account the fact that the United States has been “at war” against terrorism since 2001 and that wars usually throw the budget out of line with sustainability, U.S. policymakers should nevertheless realize and act upon the problem so as to avoid long-term damage. On the other hand, in recent years, the United States has been devoting comparatively low amounts of public-investment spending in relation to GDP (20th out of all 30 OECD countries) as well as in relation to the general government deficit-to-GDP ratio (with the exception of 2006). This is also visible in the often poor infrastructure of the United States in cases for which the government is responsible for its financing. The problem can be remedied without expanding public expenditure either by reducing government consumption expenditures and transfer payments or by raising government revenues through tax increases. The latter is advisable and could be effectuated by introducing a general value-added tax. Since this would be a tax on consumption, it could contribute to raising the extremely low savings rate of private U.S. households and thereby increasing the funds available for financing private investment.

The substantial increase in government revenue that would follow from the introduction of a value-added tax could also help prevent further divisiveness in American society, which is a potentially explosive problem that has seen considerable growth over the last three decades. It would enable the United States to expand the social safety net and to increase expenditures on improving the chances of the poorest segments of the economically extremely divided American society to move upward from their socially left-behind status and participate more in the benefits created by economic growth.

Although currently on a sounder footing than it is in almost all other OECD countries, the Social Security system in the United States is also not sustainable in the long run without reform. A declining trend in the labor-market participation rate has already been identified. In its latest Economic Survey of

the United States 2007, the OECD points out that the problem is compounded by predictably high increases in future health-care costs. For this reason, it calls for structural reforms of entitlement programs as the main necessity.

More concretely – and as a general measure in line with increased life expectancy – the report recommends raising the age at which workers can become eligible for full social-security benefits. This would discourage premature retirement and make the Social Security system more financially secure. In addition, the report observed that the disability insurance system is discouraging a rising share of the population from staying in the workforce and suggests making it less generous and more selective.

It also holds that bringing the low quality of public schools in poor neighborhoods up to standard would be a rewarding investment not only in terms of the future economic and social chances of children from poor families, but also in terms of the future quality of the American workforce. Both would improve the United States' productivity and economic-growth performance.

The government should also act on the problem of extremely low public expenditures on families (rank: 28th out of all OECD countries), the child poverty rate (rank: 29th out of 30, followed only by Mexico), the infant mortality rate (rank: 27th out of 30, followed only by Slovakia, Mexico and Turkey) and the senior-citizen poverty rate (rank: 26 out of 30, although it has improved since the 1970s). An expanded use should be made of two well-established instruments of American social policy: Trade Adjustment Assistance (TAA) and the Earned Income Tax Credit (EITC).

At present, TAA benefits are only granted to workers dislocated on account of increased import competition resulting from prior trade-liberalization measures. As – even without concrete trade-liberalization measures – many workers lose their jobs because production is off-shored away from the United States, an expansion of TAA to include additional – if not all – dislocated workers, regardless of the cause of dislocation, would help to improve the poor income situation of especially low-skilled workers, who are the most affected by globalization. In addition, EITC benefits should be raised to improve the lot of the working poor and to increase incentives to work more and to earn higher incomes from their own labor. This is a far more effective instrument for reducing poverty than raising the minimum wage is, as it delivers more favorable employment results.

Another symptom of the social tension within American society is the extremely high crime rate. The incarceration rate in 2004 was, by far, the highest of all OECD countries, 3.4 times as high as that in Poland, the second-worst performer. The homicide rate in 2000 was the second highest after

Mexico's and 2.7 times as high as the average rate for all OECD countries. Nevertheless, according to 2005 statistics, general U.S. government expenditures on public order and safety as a proportion of total general government expenditures was one of the highest of those in all OECD countries. It would appear that law enforcement is efficient in arresting criminals, but inefficient when it comes to preventing crime.

It seems paradoxical that Americans react with great sensitivity when American troops are killed in a war abroad even though those annual numbers are far below those for the annual homicide toll at home of between 15,000 and 20,000. The evident imbalance here in terms of political priorities demands correction.

Health policy is another social issue that is in need of correction. The 30 million to 40 million Americans – not counting the illegal immigrants with the same fate – who are not covered by health insurance are an absolute exception within the OECD. Universal health-insurance coverage has been introduced by the state of Massachusetts and has been announced for the state of California. But it should be made a program for the federal government in the same way that the New Deal of the 1930s transferred social responsibilities from the individual states to the central government.

Another large problem in need of solution is the extremely large number of illegal immigrants who do not have access to work permits or the benefits of the welfare state. They are social outcasts and work illegally at pitifully low wages under sweatshop conditions. It is estimated that well above 10 million illegal immigrants currently reside in the United States. A 2007 attempt by the Senate to reform the immigration law so as to open a chance for illegal immigrants who have been within the country for at least five years (estimated at about 7 million) to legalize their status was stalled in Congress, despite the fact President Bush strongly backed the measure. The problem remains to be solved, especially in a country in which practically every citizen – except Native Americans – has an immigrant background.

More than ever, a high educational level on a broad basis will be a precondition for future technological advance, productivity growth and improvements in the standard of living. Not at the level of its top colleges and universities but, rather, in the primary and secondary levels of education, the United States currently performs badly, as the PISA studies have shown.

In order for the United States to keep its edge on technological and economic performance, it will have to improve its general standards of pre-college education. With its 2002 No Child Left Behind Act, the central government has tried to help states and communities, who are primarily in charge of organizing

and financing the public educational system, to improve the quality of schools. The act has been considered a success and is up for reauthorization in 2007. Its reauthorization is imperative, but it will not suffice. A much more powerful instrument for improving the quality of education is school vouchers for primary and secondary education. They have been extensively debated in public for decades and are, at present, practiced in only a few states and communities.

Since 2006, the federal government has been funding and operating the largest school-voucher program of all for the children of evacuees from the areas devastated by the Hurricane Katrina catastrophe. The U.S. government should expand this program nationwide by either mandating it or pressuring the states to adopt it by using financial incentives. Under competitive pressure, bad schools would lose students and run the risk of closure, if they don't improve. The idea of competition and its effects on progress toward higher efficiency are traditionally so deeply rooted in the American mind that school vouchers hold the promise of a real breakthrough in U.S. educational attainment.

Another field in which the United States obviously needs improvement is corruption prevention. According to the World Bank governance indicators from 2006, the United States ranked only 19th of all OECD countries in terms of its success at controlling corruption.

On the foreign-policy level, the United States should continue to play a leadership role in bringing the Doha development round to a successful conclusion. It should especially compromise on market access for foreign products that the least- and less-developed countries produce and want to export to the highly industrialized countries, such as agricultural products, textiles, apparel and leather products. Opening markets for products from developing countries is a better way to support economic growth in poor countries than is the granting of development aid, especially as U.S. aid is almost fully tied to the condition of using it exclusively for the importation of U.S. products. U.S. development aid should be untied, at least down to the much lower share of aid tied by the other OECD countries.

The persistent non-cooperation of President George W. Bush on the Kyoto Protocol, which has binding figures for each country as to the future reduction of greenhouse gas emissions, should be ended as soon as possible. Although it has been ratified by the required large majority of signatory nations and is already in force, as long as the United States – the world's largest emitter of greenhouse gases – is not onboard, the efforts of the other countries will not be completely worthless, but those efforts might be undermined by a heavyweight free rider.

As the United States doesn't seem to be willing to play a leadership role in this (by nature) global sustainability issue, it should at least play along. Its recent support of the common declaration of the 21 Asia-Pacific Economic Cooperation (APEC) member states at their meeting in Sydney in early September 2007 that stipulated that the United Nations should remain the main forum for further negotiations on climate protection is perhaps a hopeful sign of a more compromising attitude on the part of the United States. A department of environmental protection with cabinet rank at the federal level is nonexistent, in contrast to the situation in many individual states. There is only the Environmental Protection Agency, which should be transformed into a department with cabinet rank.

The capabilities and functioning of the U.S. government are matters of extraordinary uncertainty in the near future. The underlying cause of this uncertainty is primarily the heightened degree of polarization between the two major political parties. The two political parties in each house of Congress are more sharply separated ideologically than at any time in the last 100 years. As a result, the functioning of national political institutions depends profoundly on whether the president and Congress are controlled by the same political party or by different ones.

When one party controls both branches, as was the case for most of President Bush's first term (2001–2004), the congressional majority is not inclined to defend the constitutional prerogatives of the legislative branch. Instead, it is mainly interested in assisting the president in his or her efforts to advance party policies and promote Republican electoral successes. Such circumstances tend to transform the U.S. political system into something approximating a two-party parliamentary system. However, this system lacks the stability and institutional memory provided by the higher civil service in most parliamentary systems. It tends to pursue ideologically oriented policies, rather than political reforms oriented toward the common good. On the other hand, when the two branches are controlled by different parties, as was the case in 2007, they become locked in political gridlock and experience great difficulty effecting any significant policy change.

There is nothing on the horizon that promises relief from the severe ideological polarization of the current period. Some of the potentially pertinent strategies for dealing with this polarization include: adopting electoral rules designed so as to discourage split-ticket voting and therefore divided government; reforming campaign finance, for example, through the adoption of public financing so as to reduce the role of ideologically motivated contributors; and

reducing the number of political appointees in the executive branch so as to strengthen the higher civil service. But any of these or other potentially relevant measures would undoubtedly entail major institutional change, and none is even on the periphery of the policy agenda. Nor are there reasonably modest, feasible measures that promise to bring about significant improvement.

Perhaps for the first time, the United States may soon find itself in an era in which its basic constitutional arrangements appear ill-suited to the tasks of governing in the modern era.

Status Index

I. Status of democracy

Electoral process

Fair electoral process

Score: 9

Elections in the United States are generally dominated by the two major parties because the electoral system – with its single-member districts for legislative office and a majority requirement (with respect to Electoral College votes) for a separately elected president – strongly favors them. However, over the past four decades, a number of new political parties have emerged, such as the Libertarian Party (1971), the Green Party (1984) and the Constitution Party (1992). These parties achieved ballot status for their respective presidential candidates.

Furthermore, there is a long list of other current national parties that have endorsed candidates for federal offices, including the presidency. Three of the most recent are: the Reform Party (2005), the Centrist Party (2006) and the United States Pacifist Party (2007). Thus, despite the dominance of the Democratic Party and the Republican Party as well as restrictions on ballot access, there are at least chances for newly emerging parties to reach ballot status at the federal level.

Fair electoral campaign

Score: 7

For the most part, the major media give equal coverage to the two major parties. Minor parties, which have no realistic prospect of winning the presidency or seats in Congress, have limited access to the media. They are not covered because most of the audience would not regard their positions or activities as being relevant. In the print as well as electronic media, the opinion-based segments are overwhelmingly characterized by a healthy pluralism and frequently heated contentiousness. However, access to the media in terms of placing campaign advertisements depends on the financial resources of the

*Inclusive
electoral process*

Score: 8

candidates, and there is no discrimination on political grounds.

In principle, all adult citizens are guaranteed the right to participate in national elections by constitutional and other law. Moreover, the voter-registration procedure is in principle effective, impartial and nondiscriminatory. Every individual denied the right to vote or to be registered as a voter is entitled to appeal to a jurisdiction competent to review such decisions and to have any errors corrected promptly and effectively. Every voter has the right of equal and effective access to a polling place so as to exercise his or her right to vote. There is no overt or intentional discrimination against participating in national elections.

Much of the control of election administration is decentralized to the state and even county or municipal governments. Eligible citizens generally face no severe obstacles to registration. However, some states have relatively difficult registration processes, for example, requiring registration several months in advance of an election. These practices are thought to disadvantage lower-income residents and those who move from one state to another. In contrast, some states (e.g., Minnesota) permit same-day registration, that is, registration in the same transaction as voting. Differences in registration laws have accounted for significant differences in registration rates among states.

Access to information

Media freedom

Score: 10

Constitutional and other laws effectively protect the freedom of the media. Government influence and the influence of actors associated with the government are virtually nonexistent. Newspapers and privately owned media are subject to remarkably little regulation of content. They can even publish leaked officially secret information without fear of legal sanctions.

Media pluralism

Score: 9

Although the media market is overwhelmingly private, pluralism and diversity characterize the American media landscape. Only the over-the-air media are regulated by the Federal Communications Commission (FCC). The commission has a mandate to control ownership concentration and, to a certain extent, program diversity. Since the mid-1990s, ownership restrictions have been relaxed, which has led to increased consolidation in the radio market.

The question of ownership structure in the U.S. news media is complex. On one hand, a handful of enormous media conglomerates (e.g., News Corporation, Viacom, Time Warner) own a large proportion of the media outlets, and relaxed antitrust policies have allowed the extraordinary growth of these corporations. On the other hand, with local newspapers, television and radio stations, multiple national cable TV networks and free Internet access to

the content of multiple newspapers and wire services, citizens in any given media market have access to at least several major alternative sources of national news. A typical citizen undoubtedly has more choices between separately owned news outlets than has ever been the case before.

Some of the recent concentration of the metropolitan newspaper market has been reversed by investors selling newspapers to private equity funds. Non-advertisement-revenue-based stations are the network of National Public Radio (NPR) and of the Public Broadcasting Service (PBS). Public funding has been decreasing steadily and must be replaced by contributions from listeners, viewers and sponsorship funds. The network of public stations makes programming available in all parts of the country. Shortcomings with respect to diversity of viewpoints reflect the tendency of all news outlets to appeal to audience tastes and interests and to represent the discourse that occurs among political elites in a two-party political system.

*Access to
government
information*
Score: 9

The United States has a strong Freedom of Information Act (FOIA). Exceptions to the requirements of disclosure are narrow and specific, and decisions to withhold are subject to effective appeals processes. As a result, government officials are often compelled to release information that they have sought to keep secret. By law, the executive branch audits classification practices so as to prevent the unlawful use of security exceptions to disclosure requirements. There are, however, intrinsic difficulties in implementing and enforcing such regimes, as citizens cannot demand the release of documents that they do not know to exist. Government officials dissemble about the existence of information and resist disclosure, imposing delays and legal costs on parties seeking information.

In 2007, a controversy arose over the constitutionally questionable claim by the office of Vice President Dick Cheney that it is not part of the executive branch and, consequently, not subject to the auditing of its classification practices. Beginning shortly after the 9/11 attacks, the Bush administration ran a large-scale secret program of warrantless surveillance (i.e., without judicial supervision). The existence of this program was revealed only as the result of a leak by a government official to the New York Times.

Civil rights

*Civil rights
protection*
Score: 7

In general, the United States has an exceptionally robust system of protections for civil rights and an explicit Bill of Rights. The emphasis on civil rights has been somewhat compromised by U.S. anti-terror legislation following 9/11. There has been a basic clash between two very important goals of U.S. politics:

strengthening national security and protecting civil liberties.

Departures from U.S. constitutional traditions and the corresponding suspension of civil rights have been especially severe for non-U.S. citizens. The administration has refused to either bring charges against or release suspected terrorists who have been seized abroad and detained in the facility at Guantanamo Bay. Furthermore, it has insisted on trying such suspects in military commissions that lack many of the protections defendants enjoy in ordinary criminal trials. Although its official policy has remained unclear, the administration has allowed interrogation practices that are widely regarded as constituting torture, which is prohibited by the Geneva Conventions.

In 2006, Congress passed the Military Commissions Act after the Supreme Court ruled that the military commission created by President George W. Bush had no legal basis. The act authorizes the president to set up military commissions for “unlawful enemy combatants,” and disallows evidence secured under torture. However, the act does not allow the detainees to request a court to make a determination on the legality of their detention, as was mandated by a 2004 Supreme Court ruling. It also does not allow recourse to the rights guaranteed by the Geneva Conventions. However, a bill proposed by the Democrats in the U.S. Senate in early 2007 seeks to remedy these deficiencies.

The 2006 amendments to and renewal of the controversial USA Patriot Act of 2001 were basically a ratification of the status quo. The USA Patriot Act includes provisions for enhanced federal authority to demand records on individuals. Strong concerns about the protection of the civil liberties of Americans was raised when it became known that the National Security Agency (NSA) had spied on the contacts between Americans and suspected terrorists without a court warrant. This practice was not halted until January 2007 owing to pressure from the new Democratic majority in Congress. In August 2007, however, Congress passed emergency legislation making this type of wiretapping legal as long as it involves foreign suspects.

Annotation:

On the Military Commission Act, see Congress Report, Vol. 21 (2006), No. 9-10, 1-3; and *ibid*, Vol. 22 (2007), No. 2, 7 f.; On the renewal of the USA Patriot Act, see Congress Report, Vo. 21 (2006). No. 2, 1-2.

Non-discrimination

The Civil Rights Act prohibits discrimination in voting, employment, education and housing, and it lists several protected categories: race, ethnicity, religion,

Score: 9

age, gender and disability. Efforts on the part of gay-rights groups to include sexual orientation as a protected category have succeeded in some states and localities but not at the federal level. After a major effort to enforce anti-discrimination policies – especially for voting – in the South from the 1960s to the 1990s, federal enforcement efforts have largely subsided and particularly so under the Bush administration.

Much of the effective enforcement on non-discrimination policies is undertaken by the schools, businesses and other institutions themselves under pressure from their own constituencies. Most of these institutions make active efforts to recruit women and members of minority groups. Today, minorities and women occupy a much larger share of employment positions in which they were hardly represented some 40 years ago. In this sense, anti-discrimination policy has been successful, but minorities and women have yet to secure equal representation and equal pay, which is the other area at which anti-discrimination policy is aimed. Large segments of the black and Hispanic populations have severe educational and economic disadvantages and live in poor, racially or ethnically homogeneous areas, especially in inner-city areas.

Rule of law

Legal certainty

Score: 8

The United States is exceptionally legalistic, litigious and adversarial. Highly detailed statutes govern most programs, and there are opportunities to appeal most administrative decisions to various appeals boards or the courts, which can often simply overturn administrative decisions. The problem regarding certainty in the U.S. system is mainly one of there being too many laws and regulations and too much legal enforcement rather than too few or too little. Major regulatory policies may be in litigation for many years.

By world standards, the tax code is extraordinarily complex and subject to frequent changes by Congress and the Internal Revenue Service (IRS). As a result, legal certainty in economic life can also be seen as having been impaired by the several changes in the tax code during the presidency of George W. Bush. In general, according to the World Bank governance indicators for 2006, the United States ranked only 16th out of 30 OECD countries when it comes to the security of the rule of law.

Judicial review

Score: 10

Judicial review of administrative action is well-established in the U.S. system, either through the general court system or through special administrative courts. All decisions are subject to review by the United States Supreme Court, whose decisions are accepted, even when they are controversial. Federal judges are appointed for life, which gives them a substantial degree of independence

from the president, Congress or other officials.

Since the 1980s, federal judicial appointments have become increasingly controversial and politicized, which constitutes a development that tends to compromise judicial independence. At that time, conservatives concluded that liberal judges had brought about sweeping changes in policy in the 1960s and 1970s, and they made it a leading priority to ensure the appointment of conservative, supposedly “strict constructionist” judges.

Statistical analysis of decision patterns demonstrates that Bush’s appointees have, in fact, sided with conservative interests fairly consistently. Despite the buffering effect of life-time appointments, this politicization increases pressure on judges to make decisions consistent with the ideological objectives of the appointing president.

*Corruption
prevention
Score: 7*

Compared to other OECD countries, the United States is not in a leading position in terms of preventing public officeholders from abusing their positions to promote their private interests. According to the World Bank governance indicators for 2006, when it comes to countering corruption, the United States ranked only 19th out of 30 OECD countries. For this reason, it would appear that the rules for fighting corruption are either not very effective or not as effectively enforced as they are in most other OECD countries.

On the other hand, it is true, for example, that the president, vice president, members of the administration and members of Congress are obliged to disclose the sources and amounts of their other income. Parties and their candidates for elections must also disclose the sources and the amounts of their campaign funding.

Anti-corruption laws for civil servants are in place and enforced. Government spending is audited by an independent agency, the U.S. Government Accountability Office (GAO). There is regulation for public procurement, and it is transparent.

There are, however, two important general limitations on the systems for preventing corruption. First, political campaigns are mostly privately funded, and business and professional groups and others with interests in government decisions frequently make large contributions to candidates, political parties or both. Second, Congress has been lax about applying conflict-of-interest laws to its own members and their staffs. Within the last three years, for example, several Republican members of Congress have been convicted, indicted or intensively investigated on corruption charges. In 2007, Congress passed a major ethics- and lobbying-reform bill, which restricts earmarks and eliminates most gifts to members of Congress and their staffs.

II. Economic and policy-specific performance

<i>Basic socioeconomic parameters</i>	<i>score</i>	<i>value</i>	<i>year</i>
GDP p.c.	5.9	41789 \$	2005
Potential growth	3.14	2.5 %	2008
Unemployment rate	8.67	4.6 %	2006
Labor force growth	4.82	1.9 %	2007-2008
Gini coefficient	5.16	0.368	2000
Foreign trade	4.58	41.75	2005
Inflation rate	7.13	2.8 %	2007
Real interest rates	8.15	1.8 %	2007

A Economy and employment

Labor market policy

Score: 9

The U.S. economy has been free of any major recession since 1992, and unemployment levels have remained stable, in roughly the 4 percent-5 percent range. This success has reflected the competitiveness and high rates of growth in the U.S. economy over a period of more than two decades and the effectiveness of monetary policy, which is overseen by the Federal Reserve Board, as a method of regulating aggregate economic performance.

Macroeconomic policy (i.e., the mix of monetary and fiscal policy) in the United States is much more targeted at a satisfactory employment situation than it is in most other OECD countries, especially in the euro zone. There are relatively few restrictions on entry to the labor market, except from abroad, labor mobility is very high, and payroll fringe costs are comparatively low. Despite the existence of a statutory minimum wage, it has been kept so low that it renders a person working at this wage a member of the “working poor.”

However, the Earned Income Tax Credit (EITC), which was greatly expanded

in the 1990s under President Bill Clinton, considerably lifts the net income of such workers. At the same time, it also contributes to full employment because it constitutes an incentive for wage-earners to earn as much income as possible because the tax credit is increased for the lower income brackets as self-earned wage income grows and is only slowly phased out for the higher wage-income brackets.

Enterprise policy

Score: 10

The U.S. government imposes relatively few constraints on businesses seeking to enter new markets, acquire other businesses, develop new products, restructure employment or contract for services, including by outsourcing to foreign producers. Despite a low savings rate, the U.S. economic system has been highly successful in fostering innovation and entrepreneurship. A deep and liquid capital market and the existence of sophisticated financial instruments make funds available for entrepreneurs.

Stocks and bonds play a larger role than bank financing. For innovative activities, a developed market for venture capital is essential. Availability of venture capital greatly facilitates and accelerates the commercialization of new business ideas and technologies.

There are some barriers to foreign investment in the media and transportation markets (e.g., maritime shipping and airlines), and since 9/11 there has been increased concern about investments in public entities by Arab or Muslim states, as the Dubai port case demonstrated in 2005. While this may blemish the United States' reputation for having an open economy, the impact is minimal and does not impair overall incentives for innovation and entrepreneurship. The United States usually earns top scores in global competitiveness indexes, as in the most recent one by the World Economic Forum (for 2007/08, though referring to 2006), in which the United States defended its top position.

Tax policy

Score: 7

The strong point of the U.S. tax system is its competitiveness. By OECD standards, it has a very low top marginal tax rate for both individuals and corporations, and one of the lowest levels of taxation as a percentage of GDP. The average rate for individuals who earned more than \$1 million in 2005 was 31 percent.

Horizontally, it derives roughly comparable amounts of revenue from corporate as it does from individual taxes. The vertical equity of the U.S. system is

controversial, especially since the Bush administration's tax cuts of 2001 and 2003. Critics have criticized them as primarily benefiting the wealthy. However, that results from the fact that the wealthy bear most of the tax burden, and the cuts were roughly constant across income categories in terms of percentages of tax paid. It has to be born in mind, though, that the distribution of income in the United States has become increasingly unequal over a 30-year period.

Furthermore, the use of the payroll tax to finance the Social Security retirement system adds an important regressive element to the tax system because the base for the 7.65-percent tax is limited to approximately the first \$100,000 of income. In this way, the payroll tax takes a much larger percentage of income from lower-income people than it does from high-income people. In principle, the tax system appears capable of raising adequate revenues in relation to the funds required by government, but policymakers have not been willing to sustain an adequate level of taxation to achieve that result.

Annotation: Congressional Budget Office, *Historical Effective Tax Rates: 1979–2004*. (Washington D.C, 2006); Douglas Holtz-Eakins, *Equity in the Tax Code*, Testimony before the U.S. House Committee on Ways and Means, September 6, 2007.

Budgetary policy

Score: 6

The current U.S. public debt-GDP ratio is higher than the OECD average. Contrary to public perception, the U.S. government's budget deficit as a percentage of GDP has been falling since its recent peak of 2004 (3.4%) to 1.9 percent in 2006. A possible downturn owing to the subprime mortgage crisis has not been fully factored in.

In the long run, based on current law, the CBO estimates that small surpluses will be achieved by 2012. This holds true even if the supplemental appropriations are extrapolated into the future. All of this presupposes that the Bush tax cuts expire, as stipulated by law. In the long run, however, the budgetary path is unsustainable given the pressure of rising health-care costs in the public programs and the demographic shifts (e.g., the retiring baby-boomer population).

For example, the CBO estimates that, within the next 10 years, federal health-care costs will rise from 4.6 percent of GDP to 5.9 percent of GDP, which will

translate into a 30-percent increase in outlays. The increase in social-security spending is smaller, but still significant. If health-care costs increase at the current annual rate, they will climb to 20 percent of GDP by 2050. If you add to this amount plans to introduce a system of national health coverage, the current budgetary path becomes unsustainable and would probably require tax increases on top of the reversal of the Bush tax cuts.

Annotation: Congressional Budget Office, “The Budget and Economic Outlook. An Update 2007,” <http://www.cbo.gov/ftpdocs/85xx/doc8565/08-23-Update07.pdf>, 1–10.

B Social affairs

Health policy

Score: 6

In general, the U.S. health-care system provides very high-quality care to the large majority of the population that has health coverage under private insurance plans, Medicare (the federal health program for the aged) and Medicaid (the federally funded, state-administered health-care program for low-income individuals), although Medicaid care is sometimes lower in quality.

Nevertheless, the system has two serious problems. First, about 47 million (out of 300 million) Americans do not have insurance coverage. The uninsured include many families that number among the “working poor,” that is, those whose employers do not provide health insurance and who cannot easily afford to purchase health insurance on the private market.

The number of uninsured also includes many healthy, younger people who could afford insurance but choose not to spend the money to do so. When uninsured people find that they need medical care, they either pay for it out-of-pocket, obtain care for free (hospitals are required to provide charitable care to needy patients via emergency rooms) or forgo treatment. Uninsured patients often receive substandard care. There is also substantial underinsurance, particularly in terms of dental care.

So far, Massachusetts is the only state in the United States that has introduced health-care coverage for all its citizens. If the Democrats win the presidency and maintain control of both houses of Congress in 2008, universal health care

will be a high priority on the legislative agenda.

Annotation: All data from Department of Health and Human Services, “Health, United States, 2006,” Washington, D.C., <http://www.cdc.gov/nchs/data/hus/hus06.pdf#highlights>. For a thorough overview of health-care policy issue, see: Victor R. Fuchs And Allan M. Garber, “Health and Medical Care,” in *Agenda for the Nation*, edited by Henry J. Aaron et al, (Washington D.C., Brookings), 145–182

Social cohesion

Score: 5

Compared to other OECD countries, the welfare state in the United States is relatively underdeveloped. Government welfare programs were particularly downsized during the administrations of presidents Ronald Reagan and Bill Clinton. The kindergarten and school system contributes little to social cohesion and a reduction of socioeconomic disparities. Strangely enough, when it comes to poverty rates, the world’s most highly developed economy shares characteristics with emerging-market countries, such as Mexico and Turkey. From 2005 to 2006, the poverty rate declined slightly from 12.6 percent to 12.3 percent, but there remained large gaps between whites (8.2%), blacks (24.3%) and Hispanics (20.6%), respectively.

The poverty rate thus remained below its peak in the mid-1980s and mid-1990s. However, despite the fact that it lifted 5 million Americans above the poverty threshold, the most effective tool against poverty – the Earned Income Tax Credit, which works as a wage subsidy – is not counted in the poverty measurement. The other social-policy tool is minimum-wage legislation.

In January 2007, the new Democratic majority in Congress vowed to increase the minimum wage. In July 2007, the new law increased the hourly rates from \$5.15 to \$5.85, and it is scheduled to go up to \$7.25 by 2009. Nevertheless, many states and communities have their own higher levels.

Annotation: Gary Burtless and Christopher Jencks, “American Inequality and Its Consequences,” in *Agenda for the Nation*, edited by Henry Aaron et al. (Washington, D.C.: Brookings, 2003), 61-108. On the minimum wage, see Congress Report, 22 No. 2 (2007), No. 2, 4 f.

Family policy

Score: 6

Public policy in the United States has not reflected a direct goal of promoting employment on the part of women with families except for that of low-income single mothers, who would otherwise file claims for welfare benefits. The absence of such a goal is apparent in the very limited amount of spending on family-support programs, which is the second-lowest in the OECD as a proportion of total social expenditure. It can be argued that the principle policy promoting two-career families is the federal income tax code's Child and Dependent Care Credit, which is currently capped at \$3,000 per year per child under 13 years of age (with a maximum of \$6,000 for two or more children).

On the other hand, the United States has been relatively supportive of women's right to work and has enforced laws and regulations barring sex discrimination in the workplace. In fact, the United States ranks 10th in the OECD in terms of its rate of female employment. Despite what are in comparative terms very low public expenditure for families, the United States numbered among the leading OECD country in terms of its 2004 fertility rate, behind Turkey and Mexico.

Pension policy

Score: 6

Social Security, the main public pension system, is mainly a contributory "pay-as-you-go" program, with credits accumulated through employees' and employers' payment of a payroll tax. It also has a noncontributory component, Supplemental Security Income (SSI), which serves the elderly poor. Social Security helps to make most retirees quite comfortable financially.

In comparison with other OECD countries, the U.S. poverty rate is significantly lower for retirees than it is for the general population. Nevertheless, since one's entitlement to sizable benefits is dependent on prior contributions, elderly people who have been chronically unemployed or underemployed or who have worked in low-paying jobs may receive minimal or no benefits, depend on SSI and live in poverty. In fact, 24 percent of retirement-age Americans do live in relative poverty.

The system performs even less well in terms of inter-generational equity. The reason for this potential inequity is that Social Security is not, in fact, fiscally sustainable over the life span of the younger generations of people currently working. In 2004, the Social Security trustees estimated that making the program solvent over the next 75 years would require a tax increase amounting to 1.8 percent of taxable payroll (i.e., an approximately 12% increase over the

current rate of 15.3%), with even larger amounts being required the longer the adjustment is delayed.

In 2005, President Bush mounted a concerted six-month campaign to promote a major overhaul of the Social Security system, including a reduction in the rate of automatic increases in benefits (in addition to an ideologically divisive plan to establish private investment accounts for a portion of employees' contributions). The plan was attacked by congressional Democrats and abandoned by congressional Republicans – a reminder of the severe political obstacles to dealing with the long-term problems of Social Security.

Annotation: For the data on social security see, Congressional Budget Office, *The Budget and Economic Outlook 2007: An Update*, Washington D.C., p XI f., <http://www.cbo.gov/ftpdocs/85xx/doc8565/08-23-Update07.pdf>. On policy options, see: William G. Gale and Peter R. Orszag, "Private Pensions: Issues and Options," in *Agenda for the Nation*, edited by Henry Aaron et al. (Washington, D.C.: Brookings, 2003), 183–216.

C Security and integration policy

Security policy

External security

Score: 8

The United States remains the world's premier military power, based on a level of defense expenditures that are higher than the expenditures of the next seven nations in the expenditure ranking combined. At a little more than 4 percent, military expenditures in the United States as a percentage of GDP are somewhat higher than they are in other OECD countries. At the same time, however, this amounts to 28 percent of all central-government expenditures, which is the highest share among all OECD countries and constitutes almost half of all military spending in the world. This puts the United States in a relatively comfortable external-security position.

Measures to protect American citizens against further terrorist attacks have been stepped up significantly. No terrorist incident has occurred on American soil since 9/11. Risks may persist (e.g., in container security), but any drastic measures would impede trade. However, newer, equally plausible threats have not been given the same degree of attention. According to experts, future efforts should focus on stopping catastrophic threats (e.g., attacks on chemical plants and other elements of private-sector infrastructure, large-scale attacks

using biological pathogens, radiological or nuclear attacks, and – when the technology is ready – surface-to-air missile strikes), and the United States should emphasize early prevention over responses after the fact.

The United States has mounted a major project of promoting and supporting anti-terrorist activity by governments around the world, which has included using diplomatic pressure, technical assistance and collaboration. More than other countries, the United States habitually threatens so-called rogue states with the use of its mighty military machine so as to achieve goals that are considered to be in the national interest of the United States and its allies in Europe or East Asia. This is usually accompanied by diplomatic initiatives. This pincer approach recently saw success in securing North Korea's consent to renounce the further development of nuclear weapons.

Annotation: James B. Steinberg et al., *Protecting the Homeland 2006/2007*, U.S. Department of Homeland Security, (Washington D.C.: Brookings, 2006).

Internal security

Score: 6

The results of internal-security policy in the United States are rather poor. This is evidenced by the fact that the 2004 U.S. homicide rate, as a percentage of the total population, was the second-highest among all OECD countries, topped only by Mexico. The incarceration rate, moreover, is by far the highest among all OECD countries.

In 2005, the share of U.S. general government expenditure for public order and safety in terms of total general government expenditures (i.e., including federal, state and community governments) amounted to 5.7 percent. The United States has had a long history of having an insufficient degree of coordination of police actions across community and especially individual state borders, which criminals have exploited to their benefit. Despite the fact that the Homeland Security Act of 2002 integrated not only the operations of the federal intelligence services, but also led to better coordination between local, state and federal police forces, the degree of integration and coordination has not yet been increased to the point of optimal efficiency in fighting crime and protecting citizens from domestic security risks.

New security policy

Score: 8

Triggered by the 9/11 terrorist attacks, the U.S. approaches to “new” security policies have been able to respond very effectively to new security risks, and they have done so in a forward-looking way. The United States invests extremely heavily and has pursued innovative strategies in its efforts to ensure security. The armed forces have been outfitted with the most modern high-tech and state-of-the-art equipment. In 2006, the U.S. rapid-response forces dwarfed

those of any other OECD country, and the same holds true for air- and sea-lift capabilities. The United States is also the only OECD country with full capacity in all three areas of C4ISTAR (C4 = Command, Control, Communication, Computers; I = military intelligence; and STAR = Surveillance, Target Acquisition, Reconnaissance).

Furthermore, homeland-security policy has been modernized, and the U.S. government has created a new agency to assume transportation security responsibilities (primarily at airlines), and it is introducing new technological and organizational strategies. For example, at least with Canada, it is promoting joint efforts to ensure security of the North American coastlines. Nevertheless, the United States has been slow to implement some needed security practices. For example, airlines do not have access to government watch lists, the majority of shipping containers are not inspected, and it will apparently be years before radioactive cargo can be reliably detected.

In addition, the U.S. government has announced a substantial increase in official development aid from its – in comparative terms – very low 2004 level of 0.17 percent of gross national income. Already in 2005, the ratio was almost 30-percent higher.

Integration policy

Score: 9

Apart from the occasional barriers of English-only policies and the exclusion from means-tested benefits programs, by international standards, the United States provides a generally welcoming environment for the integration of immigrants. Nevertheless, there are few social policies specifically designed to promote the integration of immigrants.

Among the principal examples, the federal government provides some financial compensation for education or prisons for state or local governments with heavy immigration-related expenses. There are small programs to assist refugees, to improve education for the children of migrant workers, and to support adult English-language training. Unlike in most democracies, no financial support is provided to asylum seekers while their cases are being adjudicated.

Compared with most countries, the United States is highly accommodating of the religious and cultural practices of immigrant groups, such as the wearing of headscarves by Muslim women. Nevertheless, immigration is a hotly contested political topic, especially when it concerns the large number of illegal or undocumented aliens, whose estimated numbers range between 12 million and 15 million people. Attempts by the Bush administration to push through an

amnesty initiative along with stricter border measures failed in early 2007. Only one part of the measure (i.e., the construction of a border fence) was approved, which has been interpreted as being a very negative symbol regarding the country's openness to immigration.

Annotation: Gordon H. Hanson, *Why does Immigration Divide America? Public Finance and Political Opposition to Open Borders*. (Washington, D.C.: Institute for International Economics, 2005).

D Sustainability

Environmental policy

Score: 6

During the period under observation, the United States was the most energy-intensive of all OECD countries. In fact, in 2005, the energy intensity of the United States alone was almost double that of Ireland, which had the lowest ratio of all OECD countries. The United States uses at least as much energy for air-conditioning as it does for heating. In 2005, the contribution of renewable-energy sources to the U.S. energy supply was only 4.5 percent, as compared to 74 percent in Iceland, which was the best performer regarding this issue.

On the other hand, since the 1970s, the United States has made significant progress in terms of reducing air and water pollution. One of the unresolved problems of U.S. environmental policy is that, despite the use of renewable energy, the share of fossil fuels is likely to rise because the share of major non-fossil-fuel sources (e.g., atomic energy and hydropower) is likely to fall over the next decades. Furthermore, environmental and energy policies are poorly coordinated.

For example, the Department of Transportation handles fuel-efficiency standards, the Environmental Protection Agency (EPA) handles vehicle-emissions standards and the Treasury Department is responsible for environmental taxation. Although the United States signed the Kyoto Protocol in 1997, the Senate never ratified it, and the Bush administration has disengaged from the Kyoto process of setting binding emission targets for greenhouse gases.

In this sense, the United States and the Bush administration have been outliers in terms of international climate-change policy. However, over the past two years, the Bush Administration has responded to public criticism by grudgingly

starting to take the issue more seriously (although it has yet to pursue significant reduction goals).

Annotation: Barry Rabe, “Environmental Policy and the Bush Era,” in *Publius* 37 No. 3 (2007): 413–431. *Idem*, *Can Congress Govern Climate Change?* (Washington D.C.: Brookings Institute, 2007). Robert Meltz, *The Supreme Court Climate Change Decision: Massachusetts v. EPA*, CRS Report for Congress, May 18, 2007.

Research and innovation policy

Score: 9

Research and innovation policy in the United States is very supportive of technological innovation. The average annual growth rate of government R&D budgets was 7.4 percent during the period between 1995 and 2005, which was the fifth-highest among OECD countries behind Luxembourg, Spain, South Korea and Ireland.

The U.S. government directly funded the National Science Foundation (NSF) with \$5.8 billion in both 2006 and 2007 as well as the National Aeronautics and Space Administration (NASA) with almost three times that amount each year. Much higher U.S. government funds flow into the financing of R&D through the Department of Defense’s orders for the most modern and sophisticated military weapons.

The U.S. government also grants comparatively high depreciation allowances and investment tax credits to businesses for their R&D expenses. It also has very generous tax rules when it comes to the large endowments of universities and research institutions, where a significant proportion of the R&D activity takes place. For example, the tax-exempt status of private universities, some of which number among America’s top universities, can also be seen as constituting the U.S. government’s indirect support for R&D.

After rapid growth between 2000 and 2005, the scientific-research budget of the National Science Foundation is expected to lose ground in relation to inflation between 2005 and 2010. In a similar way, the National Institutes of Health (NIH), which constitutes the principal source of funding for medical research, also lost approximately 10 percent of its real purchasing power between 2003 and 2006.

Annotation: Congressional Research Service, *Science and Technology Policy:*

Issues for the 109th Congress. (Washington D.C., 2006).

Education policy

Score: 6

U.S. education policy generally delivers high-quality, relatively efficient, but decidedly inequitable education and training. For the most part, elementary and secondary education is funded from local property taxes, which yields vastly more resources for high-income areas.

Even more important, however, is the fact that patterns of racial and economic residential segregation result in low-income and minority students being concentrated in schools that often have high truancy rates, serious problems of school discipline and even crime, and markedly poor academic performance. For this reason, students coming from such schools are at both a financial and academic disadvantage when it comes to competing for admission to a college or university, and especially the best of them. In contrast, schools in middle-class and wealthy areas are amply resourced, orderly and highly effective.

At the same time, however, when compared with other OECD nations, even U.S. schools in these areas produce only average results with respect to mathematics and science achievement. For these reasons, the U.S. educational system contributes little to educational equity and social cohesion, and it implies an abdication of economic opportunities. The latter also results from the comparatively poor quality of vocational education in the United States. The exception to this is the vocational training provided in the U.S. military, which is of considerable importance owing to the large size of the armed forces and the amount of time its members are required to serve.

There are fewer concerns about the higher education system, which is large and generally effective by world standards.

Management Index

I. Executive Capacity

<i>Cabinet composition</i>	<i>President</i>	<i>Parties</i>	<i>Mandates (%)</i>	<i>Presidential election</i>	<i>Duration</i>
	George W. Bush	Republican Party (Republicans/GOP (=Grand Old Party))	52,6 (55)	11/00	01/05-01/07
	George W. Bush	Republican Party (Republicans/GOP (=Grand Old Party))	46,4 (49)	11/04	01/07-01/09

A Steering capability: preparing and formulating policies

Strategic capacity

Strategic planning
Score: 8

To an important degree, the design of the U.S. political system militates against strategic planning in a broader sense. Since department and agency decisions can be contested by congressional committees, such a process would elicit controversy over decisions that otherwise would never be explicitly posed. Understood more narrowly, however, strategic planning plays a considerable role in U.S. government decision-making. Strategic planning is highly political and not an abstract exercise inspired by ideal conceptions of outside experts about what the strategic goals should be. Strategic planning is only effective if it also includes reference to the ideological goals of the president or the dominant political coalition supporting the administration.

On an institutional level, there are many agents serving on a formal level with a statutory basis (e.g., the Office of Management and Budget, the

Council of Economic Advisors, National Security Council) as well as on the informal level, which mostly comprises the White House staff. The mix is determined by the basic goals of the respective presidency, internal dynamics, personality factors, the policy discourse within the political system and the nature of the issues. There is no dearth of professional advice or strategic thinking; the real question regards to what extent they are used by the very top decision-makers, that is, the president and his or her closest advisors.

Scientific advice

Score: 7

In principle, the exchange of persons as well as ideas between the academic world and decision-makers in Washington, D.C., is much more intense than in most other OECD countries. Academic experts are influential as long as they share some of the ideological assumptions and goals of the government in power. The use of academic experts inside and outside of government may best be described as issue networks that are based on scholarly credentials, but at the same time serve certain ideological and value positions.

During the reporting period for this index, however, the Bush administration dramatically cut resources devoted to policy analysis as a result of a fairly explicit philosophy of relying on principles or ideology rather than on supposedly objective policy analysis. High White House officials have been quoted as dismissing the “reality-based community,” presumably with some degree of irony. There are few, if any, prominent examples of the administration’s seriously consulting outside experts on a major policy question, apart from representatives of conservative think tanks.

There are no regular meetings between senior Bush administration officials and representative groups of mainstream policy experts. The administration has also been widely accused by scientific groups of undermining or distorting the scientific-advisory processes, for example, by removing qualified independent scientists in favor of individuals closely tied to business interests or strongly committed to conservatives views on policy questions.

Inter-ministerial coordination

GO expertise

Score: 10

The presidency has long established formal and informal expertise in the executive office and in the White House staff for evaluating policy proposals. However, ministries are rarely the source of draft bills as they are more likely to come from Congress. The Office of Management and Budget, which has 500 employees, including specialists in all areas of government activity, assesses legislative proposals passed by Congress from the standpoint of the

president's program. In addition, the White House staff includes several policy councils that deal with national-security, economic, domestic and homeland-security policies and advise the president on legislative as well as executive matters.

GO gatekeeping

Score: 10

The secretaries of the different departments and the attorney general form the cabinet. They are not ministers such as those seen in a parliamentary democracy but, rather, practically assistants to the president. As such, political decisions are not taken according to the cabinet principle, and the secretaries serve at the pleasure of the president, who is fully empowered to return items envisaged for cabinet meetings on the basis of policy considerations. Responsibility for coordinating presidential policy decisions is handled by various groups, though primarily by White House staff units responsible for coordinating and advising on domestic, economic and national security policy. However, the officials of these units can certainly return items to the departments on policy grounds, owing to their presumed ability to speak for the president. The White House is basically sovereign vis-à-vis the line ministries.

Line ministries

Score: 9

From an early point in the departmental policy-making process, the White House also plays an active and powerful role on any matter considered significant to the president. The White House will allow departments to take the lead in the process and provide modest or no supervision on issues not seen as important to the president.

Annotation: Colin Campell, "The Complex Organization of the Executive Branch," *The Executive Branch*, edited by Joel D. Aberbach and Mark A. Peterson, (New York: Oxford UP, 2005), 243–282.

Cabinet committees

Score: 3

Only the president has the power to form cabinet committees by executive order. In general, top level policy-making is not a function of the cabinet but, instead, mainly of the president and the White House.

Senior ministry officials

Score: 8

Senior department officials generally do not play a leading role in preparing high-level presidential or White House decisions. Although some presidents have allowed cabinet members to coordinate advisory processes, recent presidents have relied primarily on White House staff members to coordinate policy decisions, with cabinet and subcabinet officials playing highly variable supporting roles.

Line ministry civil servants

The career civil service is rarely the source of policy proposals as far as they would pertain to legislation. In the regulatory arena, there is a certain scope

Score: 3

for civil servants to develop policy proposals, although that does not happen without the quite pervasive control of political appointees. A coordinating role is rare by either actor. Departments communicate with the White House more often than with each other. This is the result of a substantial amount of rivalry between departments within the U.S. executive branch. The limited role for civil servants is generally consistent with past practice – although exaggerated by the Bush administration – and reflects the large number of political appointees in the departments and agencies.

Regulatory impact assessments

RIA application

Score: 10

Regulatory impact assessment is performed by the Office of Management and Budget (OMB) on the executive side and by the Government Accountability Office on the legislative side. RIA activities are centrally registered. Under an executive order from the early 1980s, the OMB has the mandate to assess all regulations promulgated by executive agencies. Regulations cannot take effect until the OMB has performed a cost-benefit analysis.

The Bush administration has recently tightened the RIA process by requiring agencies to perform an RIA in order to issue a so-called “guidance statement,” an informal and supposedly nonbinding statement of the agency’s interpretation of laws or regulations. In making this change, the administration argued that private parties might take these guidance statements as being tantamount to regulatory provisions.

Needs analysis

Score: 10

The OMB’s specifications for appropriate regulatory impact analysis are extremely clear in requiring that analyses consider the purpose of and need for the regulation. Because OMB frequently blocks regulations or demands additional analysis, these specifications are effectively binding on the agencies. Although OMB impact analysis is subject to political strictures, its quality is nevertheless high.

Alternative options

Score: 9

RIAs do analyze alternative options and quantify their costs and benefits. However, it is unlikely that many analyses quantify costs and benefits of more than one option, compared with the status quo. Analysis is expensive and time-consuming, and intensive analysis is normally reserved for the main alternative.

Societal consultation

Mobilizing

When it comes to consultation with external groups, the U.S. equivalent of a

*public support**Score: 9*

parliamentary government includes both the executive and legislative branches. On the executive side, there are no regular, formalized consultations conducted by the White House. However, the White House Office of Public Liaison maintains contacts and often organizes meetings with external groups. Interested parties, such as business or labor groups, also meet informally with both White House and department officials about pending legislative or changes in administrative policy.

The president's agenda is promulgated through media-based strategies to reach the public or crucial segments of the public that are expected to support presidential initiatives, that is, the mobilization is selective. This targeting is crucial in advance of the congressional policy process for alerting interest groups supporting the president.

In general, such informal consultation may over-represent groups that are likely to support the administration's position. On the legislative side, Congress usually holds hearings that involve testimony from a wide range of groups. In this way, even if the administration consults with a relatively narrow range of groups, Congress still draws most of the other affected interest groups into the process.

Sometimes, however, congressional committees stack hearings, thereby favoring supporters of a bill and excluding its critics. In any case, allowing a group to testify at a hearing does not necessarily indicate any actual willingness to accommodate its interests.

Policy communication*Coherent
communication**Score: 10*

The U.S. administration is successful at coordinating the communication of its departments. Contradictory statements are rare, though they do occur. In general, the current Bush administration has excelled at managing its public communications strategy in a coordinated and cohesive manner ("staying on message"). To a degree, however, this also reflects an administration that does not tolerate dissent from the core White House position.

The Bush White House has made it clear that department press officers, who are political appointees, are viewed as being part of an administration press-relations team. There have been very few, if any, episodes of departments issuing press releases or other statements that were incompatible with the Bush administration's line.

Annotation: Lawrence R. Jacobs, "Communicating from the White House,"

in *The Executive Branch*, edited by Joel D. Aberbach and Mark A. Peterson, (New York: Oxford UP, 2005), 174–217.

B Resource efficiency: implementing policies

	<i>Total</i>	<i>Share</i>
<i>Legislative efficiency</i>		
Bills envisaged in the government's work program	86	
Government-sponsored bills adopted	70	81.4 %
<i>Veto players</i>		
Second chamber vetos	0	0 %
Head of state vetos	-	- %
Court vetos	0	0 %

Effective implementation

Government efficiency
Score: 5

With the 2004 reelection of President Bush by a fairly narrow, but decisive, margin of victory and accompanying Republican majorities in both houses of Congress, the president had assumed that he had amassed enough political capital to allow him to push through his domestic reform agenda, primarily the partial privatization of social security, comprehensive immigration reform and additional tax cuts.

Despite a vigorous countrywide campaign, Bush basically failed to win support for his Social Security proposal. Democrats in the Senate fielded a credible veto threat through the use of filibustering, and Republicans in the House feared stigmatization in the 2006 election if they supported the president's proposal. By October 2005, Bush had quietly put the issue to rest. Comprehensive immigration reform, consisting of border protection and an amnesty program, failed in June 2006, when conservative Republicans in the House provided for an amnesty program for illegal workers and for an increase in the number of work visas. Only the border-security measures pertaining to the construction of a 700-mile fence in the southwestern United States won support.

In tax policy, no further tax cuts were pushed through. Only the reduction in the capital-gains tax was extended through 2008, and the Alternative Minimum Tax was adjusted with the support of many moderate Democrats. With the Democratic takeover of both houses of Congress after the 2006

elections, prospects for implementing the president's program deteriorated dramatically. As one of their first steps, Democrats pushed through a raise in the minimum wage that, owing to its inclusion of small tax cuts for smaller businesses, was immune to a presidential veto.

Ministerial compliance

Score: 10

Department heads serve at the discretion of the president, and the chief executive has full control over his or her appointments. Traditionally, many administrative agencies in the United States have had strong tendencies to pursue their own conceptions of their missions and respond primarily to congressional committees and interest groups, rather than pursuing the priorities of the presidential administration. But recent administrations – and, above all, the Bush administration – have placed loyal political appointees deep within the departments and agencies and made strong efforts to keep agencies responsive to the president's program. If secretaries were to pursue their own departmental self-interest instead of implementing the presidential program, they would run the risk of facing dismissal.

Monitoring line ministries

Score: 10

The Executive Office of the President is equipped with thousands of expert staff members who are competent in the same fields as the experts in the various departments. For this reason, there is hardly a matter for which the departments could act as a “state within the state” without coming to the notice of the Executive Office of the President. Some fields are directly under the president's control, such as international trade negotiations and the preparation of budget proposals, because the U.S. Trade Representative, who is in charge of international trade negotiations, and the Office of Management and Budget, which prepares the annual budget proposals to Congress, are part of the Executive Office of the President.

The Bush administration runs a highly disciplined system for ensuring that departments and agencies pursue the administration's agenda. The main methods of doing so are the careful selection of political appointees for their ideological reliability and political loyalty as well as frequent communication between White House staff members and department officials. Since there are more than 500 political appointees in policy-making positions in the executive branch, this system is highly effective for ensuring coherence on any matter of importance for the administration's political priorities.

Monitoring agencies

Score: 9

As a general matter, the U.S. political system permits a considerable amount of competition for control of administrative agencies. Congressional committees often have considerable leverage and, for many programs, the agencies must cooperate and negotiate understandings with the states. They end up with some autonomy. The effort invested by departments in monitoring agency activities varies sharply, depending on the centrality of

each agency's activities to the administration's agenda, although such efforts have clearly been especially energetic under the Bush administration.

Political appointees in each department and in the Executive Office of the President carefully monitor agencies whose activities are politically important to the administration. Nevertheless, other agencies are not likely to hear from the White House or encounter much interference from the departmental level. Large complex departments with heterogeneous units may display centrifugal tendencies among their units, a problem that the new Department of Homeland Security – with its heterogeneous units, such as the services related to customs, immigration and naturalization – may be exposed to.

Task funding

Score: 9

Regarding the United States, it is important to keep in mind that the states have highly flexible and productive (or potentially productive) sources of revenue. Most states have an income tax, among other such sources. For this reason, it is not necessarily inappropriate for the federal government to impose national standards and requirements concerning matters that nevertheless continue to be treated primarily as state responsibilities.

The Unfunded Mandates Reform Act of 1995 (UMRA) requires congressional committees and the Congressional Budget Office (CBO) to gather data on the nature and size of proposed federal mandates and their potential impacts on nonfederal actors. It does not bar such mandates. Unfunded mandates – both in laws and agency regulations – have continued at essentially the same pace as they did in the mid-1990s. A high score is assigned not on the grounds that unfunded mandates are carefully controlled but, rather, because states have ample financial capability for dealing with them.

Annotation: Larry N. Gerston, *American Federalism*, (Armonk, N.Y.: M.E. Sharpe, 2007), 70 f.

Government Accountability Office, “Unfunded Mandates: Views Vary about Reform Act's Strengths, Weaknesses, and Options for Improvement,” Washington, D.C., 2005, <http://www.gao.gov/cgi-bin/getrpt?GAO-05-454>

National Conference of State Legislatures, *Real ID Act of 2005, Driver's License*, Title Summary, Washington, D.C., 2005.

Constitutional discretion

All levels of government have generally complied with judicial decisions and, in this way, the practice of federalism has been generally consistent with prevailing Supreme Court decisions. The division of authority is constantly

Score: 10

revisited and renegotiated but generally without major contention about constitutional issues. For the past two or three decades, the federal courts have shown more skepticism toward claims of federal authority under the commerce power than it had since the dramatic expansion of the federal role during the Great Depression of the 1930s.

For example, they have struck down federal environmental regulations concerning some arguably local matters. They have also returned to the states significant powers to regulate abortion in various respects, although without directly overturning *Roe v. Wade* (1973), which established a federal right to abortion.

These trends suggest the possibility that prevailing conceptions of federal constitutional authority may become significantly more restrictive in the future. In any case, there are no prominent claims that the federal government supersedes its legitimate authority with respect to the states or seeks to deprive them of their legitimate discretion, as defined under prevailing judicial interpretations of the U.S. Constitution.

National standards

Score: 6

The United States does not have a conception that there are national standards of public service that the federal government should impose on state governments. Standards have indeed been imposed, although only in certain areas. For example, federal regulations concerning racial and other forms of discrimination require that any recipient of federal grants, including state governments, abide by federal anti-discrimination policies, including affirmative action requirements in cases where past discrimination has been demonstrated.

These requirements have been enforced minimally, at most, during the Bush administration. However, in some policy areas, President Bush has gone further in establishing national standards than his predecessor, Bill Clinton, did. While Clinton had weakened national standards under his Temporary Assistance to Needy Families (TANF) legislation, George W. Bush has reinforced them, for example, with his No Child Left Behind Act of 2001, which tied the provision of federal funds to the states and communities to meeting the conditions of the federal government.

Recent federal legislation sets standards for election administration, which comes in response to the difficulties experienced with punch-card voting systems in the 2000 presidential election.

C International cooperation: incorporating reform impulses

Domestic adaptability

*Domestic
adaptability*
Score: 5

While the United States sees one of its worldwide missions as being exporting democracy to other countries and often successfully exerts diplomatic, economic and military pressure on nondemocratic nations to adapt their domestic government structure according to its desires, it is almost immune against foreign demands for adapting its own domestic government structure to respond to new international developments.

One could argue that, as a world power, the United States has less of a need to adapt its domestic structures to an international environment. On a narrower level, as a creator of many international organizations, the United States has naturally developed institutional structures that are able to respond to its international obligations (from the National Security Council to the United States Trade Representative). Climate-change negotiations have been firmly institutionalized under the auspices of the Under Secretary for Democracy and Global Affairs in the State Department. In terms of security policy, the creation of the Department of Homeland Security (DHS) in 2002 transferred parts of the U.S. Secret Service from the Department of the Treasury to the new department, effective as of March 1, 2003. The creation of the DHS can be seen as a domestic structural response to the challenges of international terrorism. As a whole, the international focus on anti-terrorism units and law-enforcement strategies has increased greatly. In structural terms, the United States is fully capable of responding to international developments.

External adaptability

*International
coordination
activities*
Score: 6

As a world power, the United States will participate in international-coordination and joint reform initiatives to the extent that doing so is in its interests. That is, the United States actively seeks and promotes international cooperation on its own terms. Examples include reforms of the U.N. Security Council, the U.N. Human Rights Commission, the International Monetary Fund (IMF) and the World Bank. The United States is also an effective participant in the G-7/8 process.

On the other hand, the U.S. government has also shown itself to be uncooperative on a number of issues. The most notorious examples are Bush

administration's refusal to join the International Criminal Court and to ratify the Kyoto Protocol on the internationally coordinated reduction of CO₂ emissions, although it had already been signed by the Clinton administration. Internationally uncooperative behavior is also evidenced by the United States' having sometimes chosen to refrain from paying its membership dues to international organizations, such as the United Nations, the IMF and the World Bank, in response to policies of these institutions that the U.S. government disapproves of. U.S. participation in U.N. Security Council missions is relatively restrained. For this issue, the U.S. ranked 11th out of all OECD countries in 2007. In light of its leading military role in the world, this is a modest score.

*Exporting
reforms*

Score: 9

The U.S. government acts as a pioneer in that it uses the weight and strength of its economy as well as its financial, cultural and (sometimes) military power to export its own reform priorities through international channels and to build transnational reform coalitions. The U.S. government also acts through the leverage it has secured for itself in international organizations, such as the U.N. Security Council, NATO and other military alliances, the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO) and many free-trade agreements it has entered into, the OECD and other such international institutions.

The conditions it ties to development aid also play a role. Its cultural policy abroad is also an important vehicle for exporting the American way of life, in general, and American political ideas, in particular. Of course, the United States also promotes change of other kinds in other countries, and often aggressively so.

The Bush administration has made a major project of promoting democracy, especially in the Middle East, although the effort may be partly an effort to broaden the rationale for the Iraq war. In the post-9/11 period, the United States has also been promoting the development of anti-terrorism programs in countries that are likely locations for terrorist training camps. Sometimes military power is used to impose an American conception of democracy on previously hostile autocratic nations.

D Institutional learning: structures of self-monitoring and -reform

Organizational reform capacity

Self-monitoring

Political responsiveness has been more important on the part of the chief

Score: 7

executive than has any abstract notion of administrative efficiency. Administrative complexities with an administrative system caught between congressional and presidential demands make institutional changes difficult. The monitoring of institutional performance is ad hoc and driven by the challenges of maintaining competent decision-making processes in an unstable environment.

On the other hand, as every administration has to invent itself when taking office, institutional arrangements are regularly analyzed and revised. That is particularly true at the presidential level, where institutional arrangements, including those with a statutory basis, undergo fundamental change every four years, and they are also undergoing change during the course of an administration. The change comprises formal as well as informal changes. The major mechanism is the allocation of personnel and the definition of authority and access structures to the president and his closest associates, who act as final arbiters.

Annotation: Donald F. Kettl, "Reforming the Executive Branch of the Federal Government," in *The Executive Branch*, edited by Joel D. Aberbach and Mark A. Peterson, (New York: Oxford UP, 2005), 344–375.

*Institutional
reform*

Score: 7

In theory, the U.S. system of governance harbors a huge potential for improving the strategic capacity for governance. The extraordinarily close proximity of leading researchers from the academic community to the government in Washington, D.C., their frequent invitation to and statements in hearings before congressional committees, their consultation by the U.S. administration, their integration into the strategic planning of policies by appointing them to advisory positions within the administration, their appointment to the many special committees and commissions charged with investigating specific policy fields or issues and with informing and advising the U.S. government on such policies, and the large academic staff of the Congressional Research Service all contribute to improving the strategic capacity for governance. They would be able to ensure that political decision-makers take into account and pursue not only short-term, but also long-term strategic goals and that politicians know about the externalities and interdependencies of policies.

The reality during the reporting period, however, is a somewhat different story. The Bush administration is widely considered to have used markedly inferior institutional arrangements for decision-making compared with

previous administrations in the recent past. It has been notable for its lack of attention to objective analysis and its being dominated by individuals trusted by the president. Overall, it would appear that the Bush administration has reduced the strategic capacity of the U.S. government.

II. Executive accountability

E Citizens: evaluative and participatory competencies

Knowledge of government policy and political attitudes

*Policy
knowledge
Score: 5*

A large amount of public-opinion research on a wide range of issues spanning half a century has consistently documented that U.S. citizens generally are informed about politics and policy to a comparatively low degree. However, these surveys prominently focus on political institutions, processes and leaders, rather than on policies. There are no standardized instruments for measuring political or policy knowledge.

In a comparative survey undertaken by the University of Michigan, which was based on surveys conducted between 1996 and 2001 and which measured the proportion of respondents in 33 countries who were able to correctly identify a candidate in the last election, the United States ranked in sixth place. Nevertheless, it can still be assumed that the general level of information regarding government policy is low.

F Parliament: information and control resources

Structures and resources of parliament, committees, parliamentary parties and deputies

Number of deputies	435
Number of parliamentary committees	20
Average number of committee members	30
Average number of subcommittee members	15

Pro-government committee chairs appointed	20
Deputy expert staff size	18
Total parliamentary group expert support staff	274
Total parliamentary expert support staff	10500

Obtaining documents

Score: 9

Congress has broad powers to require that documents be given to them, mainly because the whole Congress and even committees have independent authority in the legislative process, which gives them leverage to insist on receiving information. The president may withhold some documents on grounds including executive privilege and national security, or he or she may insist that some documents be used only by selected members of Congress, such as members of intelligence committees. Recent court decisions have limited the privilege to “quintessential and non-delegable presidential power” and to “communication solicited and received” by the president or his or her staff. Nevertheless, the courts have shown great reluctance to make a final decision, preferring to leave the issue to accommodation between the two branches.

Summoning ministers

Score: 10

House and Senate committees routinely invite department secretaries and other high executive officials to testify. In general, those officials who are confirmed by the Senate (such as department secretaries, undersecretaries, assistant secretaries and others) are expected to testify. Officials who work closely with the president and are not confirmed by the Senate (e.g., the president’s chief of staff and White House counsel) are not expected to testify under normal circumstances. Presidents traditionally do not testify before Congress, but the Constitution does require them to deliver an annual State of the Union address.

Summoning experts

Score: 10

Committees regularly call experts to testify, and there is no limit on their ability to do so. Experts are usually eager to testify, but when experts seek to avoid testifying (e.g., because they or their organizations are being criticized or investigated), the committees can issue subpoenas, which compel the expert’s testimony.

Task area coincidence

Score: 8

The House of Representatives has 15 substantive policy committees, which incidentally is the same number as those of the federal departments, not counting the plethora of independent agencies. Two committees (budget and appropriations) support the internal decision-making process of making spending decisions.

One other (oversight and government reform) has a cross-cutting function, which relates to the entire structure and operation of the executive branch. Thus, there are major discrepancies between the task areas of executive departments and agencies, on the one hand, and congressional committees and subcommittees, on the other. These discrepancies arise and persist largely because Congress has had an extraordinarily difficult time reorganizing the committee structure.

Individual members of Congress resist any loss of jurisdiction by their committees, so it becomes politically almost impossible to remove jurisdiction from any committee. Even though the responsibilities of committees do not fully coincide with the department structure, such circumstances in no way impair their ability to carry out their monitoring or investigative functions.

Audit office

Score: 10

The U.S. Government Accountability Office (GAO) was created by Congress with the Budget and Accounting Act of 1921. This act transferred auditing responsibilities as well as accounting and claims functions from the Department of the Treasury to this new congressional agency because federal financial management was in disarray after World War I. The act made the GAO independent of the executive branch and gave it a broad mandate to investigate how federal dollars are spent.

Although it is accountable to Congress, the agency is headed by the Comptroller General, who is appointed to a 15-year term. Such a long-term appointment is rare within the U.S. government, but it equips the GAO with almost the same degree of independence provided to justices on the Supreme Court, who are appointed to life-long terms. The GAO's independence is further safeguarded by the fact that its workforce is comprised almost exclusively of career employees who have been hired on the basis of their skill and experience. Its 3,300 employees include experts in program evaluation, accounting, law, economics and other fields.

Ombuds office

Score: 6

There is no congressional ombuds office. However, in the U.S. system, listening to the concerns of citizens and initiating action is emphatically the job of each individual senator and representative. Each member has at least one and often several offices in his or her district, and most members spend close to half of their time meeting with constituents there. They allocate this large amount of time in this way primarily because it can help them secure their reelection. For this reason, it is a distinctive strength of the U.S. Congress that its members listen to citizens. The members of Congress would not support creating an ombuds office precisely because they attach such a high priority to playing that role for their own constituents.

G Intermediary organizations: professional and advisory capacities

Media, parties and interest associations

Media reporting

Score: 7

The main TV networks (ABC, CBS and NBC) have 30-minute daily news programs and hour-long Sunday morning talk shows with 15 minutes of advertising per hour. However, the daily news programs vary in terms of the amount of attention they devote to providing in-depth coverage of government decisions. It often consumes less than half of the program's time, with a great deal more being devoted to life-style, entertainment and human-interest stories. The quality of news programming has declined significantly in recent years, apparently as the result of the increasing competitiveness of the market brought about by cable television. The main networks have also reduced their news-gathering staffs. All-news stations, such as CNN, MSNBC and Fox News, provide useful coverage for people who receive and choose to watch them. Commercial radio networks have very brief news programs. Both C-Span stations offer in-depth coverage of political proceedings in Congress and of political events in a wider sense, including those at think tanks and academic institutions.

Coverage of political developments abroad is almost nonexistent, except when the United States is directly involved, such as in Iraq or Afghanistan. In this respect, the main television and radio stations in the United States fall far short of their counterparts in Europe.

Fragmentation

Parliamentary election results as of 11/7/2006

<i>Name of party</i>	<i>Acronym</i>	<i>% of votes</i>	<i>% of mandates</i>
Democratic Party	Democrats	52.0	53.56
Republican Party	Republicans/GOP (=Grand Old Party)	45.6	46.44
Libertarian Party	Libertarians	0.8	0
Independent Party	Independents	0.7	0
Green Party	Greens	0.3	0
Other		0.6	0

*Party
competence
Score: 6*

U.S. parties have two kinds of “programs”: the party platform, which is adopted by the national party (presidential nominating) convention, usually with strong guidance from the expected presidential nominee; and the presidential nominee’s campaign platform, that is, the promises and positions he or she actually adopts and defends during his or her campaign.

The two versions of the program are generally similar, especially at the beginning of the campaign, although there may be some differences. They may also diverge as the presidential nominee adjusts strategy during the roughly four-month-long campaign. To the extent that they diverge, it is only the nominee’s platform that has any importance. No one is obliged or expected to act on the party platform as such.

The president’s platform is intended primarily for campaigning and not as a realistic plan for governing. In developing it, the president and his advisers are overwhelmingly concerned with the question of what positions will be effective in gaining voter support. They must take into account that the proposals will be criticized in the media by the opposing campaign and occasionally by relatively neutral experts and that departures from realism, at some extreme, would result in a loss of support. In the end, many of the individual policy proposals are plausible and coherent, but the overall platform rarely or never is.

*Association
competence
Score: 8*

Major interest associations in the United States have sizable, extremely well-educated professional staffs with considerable expertise in the relevant policy areas. However, two considerations reduce the tendency to make proposals that are coherent and plausible.

First, in making proposals, they are concerned not only with ensuring their credibility, but also with putting pressure on policymakers and, even more importantly, with satisfying and maintaining the support of their memberships. For some associations, such as environmental or social-interest groups, maintaining or increasing the membership is often the primary concern. Both putting pressure on policymakers and maintaining membership support will require making more extreme – and often simplistic – demands as well as overlooking political and technical constraints. For other associations, however, such as business associations, maintaining membership does not require major adjustments with the result that proposals may be more constrained by political and technical realism.

Second, interest associations take into account that presidents and congressional majorities are temporary phenomena, and they do not change their programs or policy recommendations to suit the current set of policymakers. To the extent it aims at policy and political realism, as

opposed to catering to constituents, an interest group will advocate a measure that it believes some president and Congress might give serious consideration to in the foreseeable future.

*Association
relevance*

Score: 8

Interest-association proposals are often plausible and coherent. The president and congressional majority will often regard them as being relevant. However, they may not be relevant under two major conditions: when they are overly ambitious or demanding because they are designed to pressure politicians or to please constituents; or when the group's concerns receive low priority from the current administration or congressional majority.

This country report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at www.sgi-network.org

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