

An Economic Theory of Democracy Revisited - Downs with Traction

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Abstract

Anthony Downs assumed no false information, and no irrationality. Neither of these assumptions is realistic in politics. Adam Smith recognised the role of rhetoric (deliberative eloquence) in political debate. The significance of propaganda was recognised in the 1940s. Modern approaches to political processes, agenda setting and discourse analysis also emphasise persuasion. This paper begins by outlining logic and rhetoric as means of proof and persuasion. In section two the case is made that economics takes a logic-based view of society, whereas rhetoric is central to policy debate. Section three discusses the implications of a relaxation of Downs' assumptions to allow for a rhetoric-based view, with alternative propositions being suggested. Section four then considers the implications of these propositions for economists' approaches to policy.

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1. Introduction

Anthony Downs presented 25 “specific testable propositions” in *An Economic Theory of Democracy* (Downs, 1957). These were based on assumptions about the political system, including the motives of politicians and voters. In his description he includes detailed consideration of uncertainty and the implications of there being costs associated with information gathering. Nevertheless, he states, “Throughout this thesis, we assume that no false (i.e. factually incorrect) information exists...” (Downs, 1957, p. 46) He also states, “Our model in particular ignores all forms of irrationality and subconscious behavior even though they play a vital role in real world politics.” (Downs, 1957, p. 34)

These are extreme assumptions, although they are common in modern mainstream economics. This reflects a significant narrowing of perspective since the early days of economics. Adam Smith, sometimes referred to as the “father” of modern economics, gave a series of lectures on rhetoric in 1762 and 1763 (Smith, 1963). This was not remarkable at the time. Smith reflected a long tradition (dating back to classical Greece) where both logic and rhetoric were considered central to a good education. Briefly, we could consider logic to be concerned with proof, whereas rhetoric is concerned with persuasion. When describing the rhetoric of political debate, whereby policy decisions are made, Smith used the term ‘deliberative eloquence’.¹ People are not necessarily swayed by detailed, technical, logical arguments. It is more likely that they would be persuaded by simple points and rhetorical techniques such as humour, the use of analogy, or appeals to authority or to emotion.

Some more recent analyses could be considered as ‘macro’ approaches to rhetoric, as compared to traditional rhetoric, which is ‘micro’ in focus, looking at individuals in debate. For example, literature on the processes of policy making can be seen to draw on the scholarship of rhetoric. Dunn (2004, pp. 394-418), for example, lists eleven ‘modes of argumentation’. These are ways in which positions can be presented so as to persuade people to a particular viewpoint. Logic is not mentioned², and the presentation of logical arguments may not be very effective in comparison to other approaches to persuasion. Advertising and celebrity endorsement immediately come to mind. Similarly, the results of studies may be convincing, although this is not necessarily related to the quality of the studies themselves.³ Persuasive methods include ‘authority’, the use of a source or personality that people trust⁴,

¹ He also described ‘judicial eloquence’, or methods of persuasion in court.

² Dunn does list ‘method’, meaning techniques such as econometrics, and ‘cause’, such as economic ‘laws’ based on theory, which have their own internal logic. The suggestion is that they may be used more for rhetorical purposes, in that people may be swayed by arguments couched in those terms, even if the logic is questionable. This issue in economics is addressed, with strong support for claims of rhetoric, in McCloskey (1998).

³ McCloskey (1998) devotes much attention, in her book and elsewhere, to the distinction between statistical significance and economic or policy significance. She stresses that many refereed studies fail to note the difference, resulting in questionable policy conclusions.

⁴ The use of celebrities to endorse finance companies, many of which ran into difficulties, is discussed by Taylor (2008).

and ‘analogy’, applying an approach in one context that people already accept in another (even though it may not, in fact, be suitable). Some of the techniques that analysts apply may have achieved acceptance on such grounds also. Dunn’s “modes of argumentation” suggest that Downs is making overly strong assumptions about the correctness of information and the rationality of individuals. At the very least, selective presentation of information will give a distorted picture.

Other fields are also relevant. Literature on critical discourse analysis focuses on the use of selected words to emphasise a particular perspective, and on broader approaches to ‘frame’ issues in desirable ways. This perspective has been adopted by others also, hence:

The formal, structural dimension is only one dimension of control over the decision-making process. There is also the more substantive side: policy-makers who take the initiative in **framing** the problem and proposing solutions improve the chances of these solutions being accepted. To this end, the decision-makers may not simply use the force of argument; they may also resort to more manipulative tactics, such as using their monopoly on certain types of policy-relevant information to present their colleagues in the relevant decision units with a highly stylized picture of the issues involved. (Goldfinch & Hart, 2003, p. 242)

Fairclough (1995) refers to ‘ideological-discursive formations’ (IDFs) which groups may use to define debate in a way that favours their perspective. If a particular IDF dominates to the exclusion of others, it may be seen as the norm, rather than as a particular perspective. Public perceptions and media presentation of issues will be heavily influenced by dominant terminology and frames. Considine (2005) describes policy as being the result of competition between groups, each trying to create the dominant perspective. In a similar vein, and as also described by Goldfinch and Hart above, other literature emphasises the setting and denial of agendas (Cobb & Ross, 1997b; Hilgartner & Bosk, 1988; Rochefort & Cobb, 1994).

Public perceptions are shaped by the information that is transmitted in these processes. It might be hoped that debate in the media would result in an informed public. Bourdieu doubts this. He suggests that television favours people he terms ‘fast thinkers’ (Bourdieu, 1998). He does not mean that they actually think quickly. Rather, they are able to give quick answers that will be accepted. Far from thinking, they are simply tapping into currently held beliefs, thereby getting instant audience acceptance and giving the appearance of being knowledgeable. His point could apply to much of the mass media. Consequently, dominant frames are emphasised, prior beliefs reinforced, and false perceptions perpetuated. This can have a significant impact on people’s understanding of issues and priorities, at least those for which they have little or no direct personal experience. Hardin (2002) uses the term ‘street-level epistemology’ to describe the way people’s ‘knowledge’ on many issues is simply what they have heard and accepted from others, who have in turn heard the information from

elsewhere. The information is not checked out. Hence, it is easy for misinformation to spread.⁵

The implications of these processes and phenomena have long been recognised. Over 150 years ago, Charles Mackay wrote *Extraordinary popular delusions and the madness of crowds* (Mackay, 1995). The introduction to the 1995 publication of the text was written by Norman Stone, Professor of Modern History at the University of Oxford. In it he wrote:

Throughout the world people have tended to focus on individual issues rather than on the good of society as a whole... frequently the zeal with which campaigns are conducted damages the causes they are meant to promote... The examples are numerous, disturbing and may seem peculiar to our age. Surely they managed things better in the past? Well no, they didn't. Of necessity, the oddities of our age are peculiar to it, but more in detail than extent... human folly changes only in detail and not in scale. (Mackay, 1995, pp. v-vi)

And in the Preface to the 1852 edition, author Charles Mackay wrote:

In reading the history of nations, we find that, like individuals, they have their whims and their peculiarities; their seasons of excitement and recklessness, when they care not what they do. We find that whole communities suddenly fix their minds upon one object, and go mad in its pursuit; that millions of people become simultaneously impressed with one delusion, and run after it, till their attention is caught by some new folly more captivating than the first. (Mackay, 1995, p. xv)

This is not to say that Stone and Mackay are necessarily correct, but Mackay describes numerous examples that illustrate his point. Current discussion of moral panics⁶ supports Stone's contention that every generation has its own popular delusions. Goleman's description of frames and schema further support the view that societies see their world through particular lenses that shape what they see (Goleman, 1985).

2. Economics and logic

Mainstream economic theory is based on people having preferences that are fixed, or determined "outside the system/model" (i.e. exogenous, rather than endogenous, preferences). Taking preferences as given, there is then no need to explain preference formation. This is convenient as a means of simplifying the analysis, but it is not very

⁵ Such phenomena are not restricted to the street. University students absorb received wisdom from academics who, in the main, are conveying an accepted body of knowledge. Displacement of dominant bodies of knowledge can be a slow process, even when the body has numerous identified flaws (Desai, 1981; Gellner, 1964; Kuhn, 1970; Lakatos & Musgrave, 1970).

⁶ Cohen, for example, states, "Sociologists such as Becker and Gusfield have taken...cases...to show how public concern about a particular condition is generated, a 'symbolic campaign' mounted, which with publicity and the actions of certain interest groups, results in what Becker calls *moral enterprise*: '...the creation of a new fragment of the moral constitution of society'" (Cohen, 1980, p. 11). For New Zealand case study, see Hood (2001).

realistic. There is also an assumption that people are 'rational'. In this context, this means that, given their preferences and available information, they will act in such a way as to do they best they can according to those preferences. There is a presumption that logic dominates. To put this another way, it is assumed that people are logical, and that preferences are set, not open to influence.

There is no place for rhetoric or persuasion in such a view of the world. At the most fundamental level, rhetoric is unlikely to have even developed as a separate field of study if people were only persuaded by logical arguments. Schopenhauer, in his *Stratagem No.28* for winning arguments, makes the point that a logic-based response to a rhetorical criticism would not be effective. Such a defence, "would require a long explanation...and a reference to the principles of the branch of knowledge in question, or to the elements of the matter which you are discussing; and people are not disposed to listen to it" (Schopenhauer, c1851). Abraham Lincoln explained his wish to use the expression, "The house divided against itself cannot stand", in a major speech in June 1858: "I want to use some universally known figure expressed in simple language as universally well-known, that may strike home to the minds of men..." (Herndon & Weik, 1961, p. 322)

Given Adam Smith's familiarity with rhetoric, it would seem as if economics has taken a backward step by disregarding this major aspect of policy making and implementation. Downs was well aware of the simplification, and the consequences in terms of a lack of realism. It is understandable on one level, however. It is relatively easy to model and analyse a purely logical world. Consideration of rhetoric and endogenous preferences presents major problems for the use of many commonly applied economic methods of evaluation. How are we to determine costs and benefits if the values that we observe through either actual behaviour or elicitation through surveys, etc., can be influenced by rhetoric and false or misleading information?⁷

These aspects are likely to be of particular relevance for issues where individuals have little or no direct involvement, so their opinions are not shaped by first-hand experience, and for issues which require collective action, so that there is little benefit to an individual from acquiring an accurate understanding.⁸ These conditions apply for many policy issues, and for areas of policy implementation such as jury service. Cobb and Ross (1997a, p. 7) describe 'attention groups', whose support is necessary for an issue to gain a place on the policy agenda. They also describe mechanisms whereby the agendas of less powerful groups can be denied. These dimensions suggest a dynamics to political processes that cannot be addressed by assuming fixed preferences.

⁷ For an example, see Birks (2007).

⁸ The frequency of similar events can also be important. Taleb describes what he refers to as "the inverse skills problem" (Taleb, 2005, p. 254). He argues that the competence of senior executives may be lower than those of middle-tier executives because the latter can be monitored on numerous repeat decisions whereas the former only do one-off big decisions. Established monitoring systems for repeat events also lower costs of information gathering.

Downs' approach was to present several propositions that were plausible, given his assumptions. The following section takes a similar approach, but relaxes Downs' assumptions on rationality and the absence of false information, hence assuming a 'macro-rhetoric' environment.

3. Downs with traction

Traction is a term frequently used in politics to indicate that an issue has attention. It is not a precisely defined term, although it has acquired widespread usage and acceptance. Its applicability in particular instances arises from a perception or belief by decision makers that the issue has assumed sufficient prominence in terms of concern by relevant people. It could be considered to indicate that an issue has been placed on an agenda, as in agenda setting and denial (Cobb & Ross, 1997a). While a precise definition would be preferable, loose recognition of a characteristic in this way is not unknown.⁹

Points can be made, and evidence presented, but without traction, there is unlikely to be the interest or support for an issue to gain a prominent position on a policy agenda. Even if an issue is important to a dominant political party, the party risks unpopularity and resistance if it proceeds without popular acceptance. There is a close association with rhetoric, both micro and macro, in that these latter consider how people can be persuaded to see issues in particular ways. The need for traction is a constraint on political activity, and it also suggests an arena in which political contests take place. The following general points and associated propositions are not comprehensive. Rather, they are an attempt to indicate, in a Downs-like framework, some of the important implications of this activity.

3.1 A limited number of issues

The operation of the media and the importance of "traction" suggest that Downs' approach could be modified to consider agenda-setting and the shaping of observed preferences. For the purposes of an exploratory investigation, consider the possibility that there can only be a limited number of policy issues on the agenda at any one time. There are broad reasons for this. Simon, on 'attention scarcity', writes, "...a wealth of information creates a poverty of attention and a need to allocate that attention efficiently among the overabundance of information sources that might consume it" (Simon, 1971, pp. 40-41).¹⁰ From a basic economic assessment, there are costs of gathering and processing information, and there are, at least initially, economies of scale in gathering information on specific issues. The media are important for the transmission of this information, and they influence the number of issues addressed and the quality and nature of information presented. Also, Hardin's concept

⁹ Consider Rawls' approach in *Justice as fairness: a restatement*:

The terms 'reasonable' and 'rational' will not be explicitly defined. We gather their meaning by how they are used and by attending to the contrast between them. (Rawls, 2001, p. 82)

¹⁰ While a somewhat tenuous connection, this possibility is supported at the individual, short-term level according to Simon: "It is...a fundamental limit on computation that human short-term memory can hold only a half dozen chunks, [and] that an act of recognition takes nearly a second..." (Simon, 1990, p. 7).

of “street-level epistemology” suggests that people take their knowledge from others without much individual critical assessment (Hardin, 2002). This is closely linked to critical discourse analysis (CDA), whereby the form of presentation of information shapes people’s perceptions.

As items on the political agenda require co-ordinated action, so it is generally not enough for interested individuals to develop a degree of understanding on their own. However, it is easy to “overload” the system:

Large public problems...periodically require a synchrony of public attention. This is more than enough to crowd the agenda to the point of unworkability or inaction. (Simon, 1971, p. 47)

The general public may only be willing or able to consider a few options at a time, but politicians who wish to set agendas will also seek to limit the options available for discussion. Whatever the reason, it has been observed that “...for any problem at the regime or macro-level of discussion and analysis **there are remarkably few alternatives actually under debate**” (Bosso, 1994, p. 184).

Consequently it is plausible to suggest that issues are not set by individuals, as might be assumed in economic theory based on individuals each with their own exogenous preferences. Rather, it may be more realistic to consider them set by politicians, pressure groups and the media. This may be a large adjustment for formal models as commonly used in economics. However, as a general description it is only a small step. The result is that it opens up the possibility of a synthesis of the approaches. This gives a first proposition under a traction approach:

Proposition 1: There are a limited number of issues with traction at any one time.

3.2 Parties competing for traction

Parties select issues either because they fit their policy agenda or because they believe that they will win votes. If an issue has traction, it has public attention. Consequently, voters are likely to believe that something should be done about it. Hence there will be voter support for policies that are perceived to be addressing issues with traction. As parties are competing against each other, their aim is to achieve traction on their issues, but not on those of other parties.¹¹ This gives a second proposition:

Proposition 2: Parties aim to achieve traction on their issues and prevent traction on others.

¹¹ For a description of some of the mechanisms that may be applied to this end, see Cobb and Ross (1997b)

3.3 Parties reaction to issues with traction

If an issue already has traction, either through the action of other parties or pressure groups, or through the media, or via international transmission of policy issues¹², parties will feel obliged to have policies on those issues. This is because they are backing issues with popular support, and because failure to address the issues would suggest indecision and lack of an agenda.

Proposition 3: Parties back issues with traction.

3.4 Creation of new issues

It is harder to generate traction for a new issue than to present policies for an issue that already has traction.

Proposition 4a: Parties are more likely to invest in an issue with traction than to generate traction for a new issue.

Besides agenda denial strategies, there can be conspiracies of silence to overcome, "...a conspiracy of silence, whereby people tacitly agree to publicly ignore something of which they are all personally aware" (Zerubavel, 2007, p. 181). This could extend to the entire realm of political matters, which, as Eliasoph described, can become a taboo subject within a social network due to the social riskiness of voicing political opinions (Eliasoph, 1998). So society, or groups in society, may fail to discuss significant policy issues. In general, this is unlikely to be rectified through the news media, which aim to appeal to the public, and so focus on issues that are known to be of interest.

Proposition 4b: The media tend to reinforce the prevailing pattern of issues with traction.

Sowell, discussing organisations established to promote affirmative action, indicated another dimension to traction. Once there has been enough traction for institutions to be established, there are inbuilt pressures for the institutions to grow. Hence, "...success at group identity politics tends to expand the list of grievances and 'enemies' necessary to keep the movement viable and its leaders powerful." (Sowell, 2004, p. 180), and, "What a movement needs for its own survival is...an inventory of demands still outstanding, grievances still unassuaged, and 'enemies' still to be dealt with." (Sowell, 2004, p. 181).¹³ Hence such organisations can be expected to find new dimensions for their issues so as to have a continuing reason to exist.¹⁴

Proposition 4c: Institutions that have been established due to an issue with traction aim to maintain that traction through expansion of the issue.

¹² One mechanism whereby this occurs is through reporting to and by international bodies, such as the UN Committee on the Rights of the Child, the UN Committee on the Elimination of Racial Discrimination, and the UN CEDAW Monitoring Committee.

¹³ This suggests a link to theories on historical institutionalism (Hay & Wincott, 1998; Pierson, 1996)

¹⁴ There could be a fruitful connection with Niskanen's theories on public sector bureaux (Niskanen, 1994).

3.5 Shifting public opinion

Many policy issues are beyond the scope of individual action, and therefore have received little individual attention. Concern for such issues depends in part on the concern expressed by others. If something is widely considered to be important, more people will invest time and emotional energy into being concerned. Cobb and Ross would say that an issue has successfully spread beyond the ‘identification group’, being understood by the ‘attentive public’ and adopted by some of the ‘attention groups’ (Cobb & Ross, 1997a, pp. 7, 21). Hardin (2002) might suggest that the position is spread through street-level epistemology.¹⁵

Proposition 5a: As an issue generates traction, public opinion will swing further in its favour.

When the government promotes a particular issue or position, there is a greater belief that something can be done about it. Also, there is perhaps a natural tendency for people to align themselves with the prevailing authority (as suggested by the Stockholm syndrome¹⁶). In part, these effects may arise because issues closely related to the government are more newsworthy, especially if fronted by official spokespeople. “Officialness makes the news statist, that is, it contributes to a tendency to cover state voices rather than civil ones...” (Schudson, 2002, p. 54).

Proposition 5b: The public will move in favour of policies promoted by the current government.

3.6 The use of traction

If the key to policy acceptance is traction, then the aim for political parties is to exploit this so as to get their preferred policies accepted. Rhetorical strategies will be used to achieve traction. Reasoned analysis and argument may not be required. In fact, this can be counter-productive if it is less likely to attract public attention than other approaches more suited to the prevailing media, such as careful choice of language, or framing.¹⁷

Proposition 6a: It is easier to generate traction through celebrity support or framing than through detailed, informed presentation of information.

¹⁵ Downs (Downs, 1972) hypothesised that many issues are subject to an “issue attention cycle”.

¹⁶ See, for example, Chapter 22 of Strentz (2005). Strentz describes a work by Coleman which discusses “the common occurrence of people adopting the values and beliefs of a new government to avoid social retaliation and punishment” (Strentz, 2005, p. 247).

¹⁷ Note, for example, the Labour Party’s emphasis on language (Curran, 2006). Hence, “Use language to create identity... Create an identity for Labour that mirrors positive core values of decent New Zealanders – so that people know what Labour is without having to talk about issues.” (Curran, 2006, p. 9) A similar approach towards the climate change debate is described by Broder (2009).

If an issue has traction, then it may appear more acceptable than valid, reasoned argument as a basis for a policy change. For example, the New Zealand government raised nurses' pay in 2006 on the basis that, as a woman-dominated occupation, there must have been discrimination against them resulting in low pay. This argument was used in preference to a probably sounder (economics/market forces based) case that the prevailing rates of pay were insufficient to overcome a nursing shortage. The discrimination argument suited and reinforced the position presented in Department of Labour and Human Rights Commission documents (Crossan, 2004; Mintrom & True, 2004).

Proposition 6b: An issue with traction may be used as a false justification for a policy rather than a more logically-based alternative. This may be an easier way to obtain a desired result than trying to generate traction through honest presentation of information, and it serves to reinforce the issue.

3.7 The importance of process

A major focus of politicians' attention is on obtaining and maintaining public support, and on relative performance in the polls. This is necessary, if only for political survival. Downs describes his model as being "based on the assumption that every government seeks to maximise political support" (Downs, 1957, p. 11). This is then interpreted as vote-maximisation (Downs, 1957, p. 31). Given the importance of rhetoric, and arguably a need for apparently decisive government, there is little scope for logical policy development with detailed consideration of and evaluation of the options. Instead, the requirement is to follow required processes (such as consultation, and possibly public submissions), when the actual policy direction has already been largely determined.^{18 19}

Indications in New Zealand of a political focus on short-term deliberative issues can be seen in the 2009 Sir Ronald Trotter lecture by Stephen Jennings, who said:

For the last decade or so, New Zealand's political leaders have sought to retain power by placating and balancing narrow short-term political interest groups through incremental and relatively minor policy adjustments. It does seem that New Zealand's system of mixed member proportional representation has exacerbated this tendency; incremental decisions favouring special interests have tended to take precedence over bold decisions favouring the majority.

(Jennings, 2009)

¹⁸ For a description of the importance of process, and people's willingness to accept the results if the required processes are followed, see Tyler (2000). Martin and Wilson suggest that a similar view may be held by those implementing laws, with "a legal system which often confuses due process and substantive fairness" (Martin & Wilson, 1997, p. 21). March and Olsen take these points a stage further, suggesting that processes may be followed for symbolic purposes. The aim is to gain acceptance and compliance with decisions. (March & Olsen, 1989, pp. 48-50)

¹⁹ Processes may be used to give the appearance of dynamic action, as with New Zealand's Knowledge Wave leadership forum of 19-21 February 2003, or the Job Summit of 27 February 2009.

Former cabinet minister Tim Barnett has been quoted as saying, "The frustration in politics is that it's hard to be strategic, as you are living for the next issue and the next day and it's quite media focused and you're always trying to get coverage for what you're saying and what you're doing." (Gates & Williams, 2009)

His cabinet colleague, Steve Maharey, said in his valedictory speech in the House on 25 September 2008 in reference to public debate of policy issues:

If I may, I will talk to the media for a moment. Exploring these [policy] choices requires a different kind of public conversation; one where politicians—and others—feel able to participate in a dialogue that will lead to real change, instead of being forced to watch every word they say or being driven to release the next 3-point plan or new initiative to feed a 24-hour cycle of news and entertainment.

Much earlier, describing the fifty-year period from 1840 in New Zealand, Viscount Bryce wrote:

Very few were radicals by theory, if indeed one can talk of theory at all among New Zealand politicians. They were occupied by the issues of the hour, and inevitably also by the getting and keeping of office, for the balance of party strength frequently shifted, and a disproportionate amount of time and effort was spent on the incessant game of replacing the Ins by the Outs. (Bryce, 1929, pp. 295-296)

Proposition 7: The focus in politics is more on the process of policy change than on the determination of desirable policies.

3.8 Limited monitoring and policy revision

Governments aim to implement their agendas. Parties in opposition attempt to obstruct governments. One way to do this is to identify problems that can be presented as government's failures and that need urgent attention, thereby drawing political resources away from the planned agenda. Opposition parties may also attempt to get traction for their own agenda items. Monitoring generates attention. Detailed monitoring provides information that can detract from a government's agenda and gives ammunition for opposition parties. Given the limited number of issues on the agenda at any one time (see Proposition 1), such distractions can be costly to governments. It is therefore in a government's interest to allow as little attention as possible to be given to existing policies/laws. Revision of laws will only occur when problems are noticeable enough, and generate sufficient interest by attention groups, to gain traction.

Proposition 8a: A government will attempt to limit monitoring so as to minimise attention given to issues that are not on its agenda.

Proposition 8b: Once a law has been passed, it is unlikely to be evaluated or reconsidered for many years.

4. Implications

There is a theoretical ‘ideal’ economic approach to policy making. It is based on the assumption of free, perfect information and involves consideration of all possible policy alternatives. Each would have all the costs and benefits identified and measured, and the optimal policy selected using an appropriate decision rule. A policy assessment structure based on this approach has been developed by the Ministry of Economic Development (Regulatory Impact Analysis Unit, 2007).

This approach is unlikely to mesh well with a political environment based on rhetoric and traction. Parties select their preferred policies, after which they operate in a political arena to put their policies into practice. The demands associated with detailed scrutiny, especially at this late stage and where it involves consideration of numerous alternative options, would generally be unwelcome to both politicians and the electorate. To quote Simon:

The dream of thinking everything out before we act, of making certain we have all the facts and know all the consequences, is...the dream of someone with no appreciation of the seamless web of causation, the limits of human thinking, or the scarcity of human attention. (Simon, 1971, p. 47)

Even without consideration of costs of analysis, with its associated requirements of information and expertise, an economic approach may not be politically feasible. Economists should therefore be aware of the constraints on policy determination arising from the political process.

From either an economics or a political science perspective, there are limitations on the relevance of Downs’ propositions arising from his assumptions of rationality and absence of false information. There are extensive bodies of literature which can be tapped to suggest an alternative approach and to yield alternative propositions. It is hoped that this paper indicates some of the possibilities when Downs’ approach is taken together with some of the points in this policy-related literature.

The implications for policy are important. There are clear possibilities of failure in the policy making process, and errors may not be identified for many years. Consequently it may be productive for analysis to consider two responses. First, recognition of potential limitations in the political process can be the first step towards addressing those limitations. Second, as limitations of the process are also limitations in policy formulation and implementation, resulting constraints on the potential effectiveness of policies should be recognised.

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