

Review

The National Origins of Policy Ideas

By John L. Campbell and Ove K. Pedersen



In this article John Campbell and Ove Pedersen argue that the way policy ideas are generated by knowledge regimes varies considerably across countries; and the effect on national politics is significant.

Globalization has created unprecedented economic problems for governments everywhere. To cope with them, policymakers need fresh thinking and new ideas. They often turn to private think tanks, government research departments, political party analysts, and other policy research organizations, which together make up what we call a knowledge regime. The way *knowledge regimes* are organized and operate varies widely across countries and has

significant influence on national politics.

In the United States, private think tanks often take center stage publicly. Historically, serious scholarly operations like the Brookings Institution and the American Enterprise Institute played key roles in writing academic style articles and hefty books. But with the rise of globalization and consequent increasing uncertainty about what policies would be effective in the face of it, much more aggressive advocacy-oriented operations like the Heritage Foundation and the Cato Institute on the right and the Center for American Progress (CAP) on the left assumed leading roles too. Their short policy briefs, newspaper op-eds, blogs, video clips, and other media savvy techniques

were designed to sway public opinion and influence policymakers faster and more directly than the old-style scholarly think tanks. And with their entrance, the tenor of public debate became far more acrimonious and shrill. Some of the more aggressive think tanks employ what one think tank president calls political “bomb throwers” who relish the opportunity to foment controversy and ideological battle. The media, particularly since the ascent of smash-mouth talk radio and cable news shows on FOX and MSNBC, thrive on this and stage these ideological food fights on a daily basis. Within the last few years Heritage and CAP, which, thanks to their status under the U.S. tax code, are prohibited from lobbying politicians, have taken the fight to a new level by founding sister organizations that can cross that line and engage in all sorts of highly partisan political activity. This evolution in the American knowledge regime has helped fuel the rising partisanship and political gridlock that has made politics and policymaking in Washington the blood sport it is today.

Backstage, of course, have been a number of respected government research departments like the Congressional Budget Office and the Government Accountability Office (GAO) that quietly perform rigorous policy analysis of all sorts in a non-partisan fashion. But the war of ideas became so extreme and destructive of sound policymaking that in the early 2000s, a few prominent members of this knowledge regime launched efforts to build bridges across the partisan gulf. One such effort, the Fiscal Wake-Up

The evolution in the American knowledge regime has helped fuel the rising partisanship and political gridlock that has made politics and policymaking in Washington the blood sport it is today.

Since the 1980s the Danish government has insisted that anyone seeking to influence policymaking come with sound empirical analysis rather than ideology to support their arguments. This has helped generate a degree of consensus in technical policy analysis and in policy recommendations.

Tour, organized in 2005 by people from Brookings, Heritage, the American Enterprise Institute, the GAO, and a few others, worked together to convince policymakers that the country's fiscal problems were becoming so severe that ideological differences should be sidelined in the interests of the country. Washington, they urged, needed to get serious about addressing the fiscal situation. Unfortunately, their efforts seem to have fallen on deaf ears as Congress continues to kick this particular can down the road.

Things are much different in European countries where the activities of policy research organizations are set up in ways that often promote consensus-making more than partisan combat. Consider Germany. The powerful Ministry of Economics and Technology commissions a handful of the most prominent economic policy research institutes in the country, often connected with prestigious universities, to produce a Joint Economic Report (JEP) twice a year that includes economic forecasts and policy recommendations. The JEP is supposed to represent a consensus among the institutes involved. Enhancing consensus-making further, the Ministry then uses these reports to help guide the preparation of its own forecasts, recommendations and policies. And it sends a "silent observer" to JEP meetings to keep it apprised of the technical methods being used there in an effort to conform to the JEP approach. The system isn't perfect. Occasionally JEP members add their dissenting views to the reports. But overall there is far less strident partisanship in this process than we found in the United States. The Ministry also convenes an annual closed-door meeting with the major policy research institutes, representatives from various ministries and others to share forecasts, policy ideas and discuss how the government might handle the country's pressing problems. No official reports are written and no public statements are issued. The idea is to confidentially share information and see where everybody stands on the important issues of the day before the government moves forward. To the extent that policymaking is informed by these sorts of deliberations, both formal and informal, German politics avoids the sort of cut-throat hyper-partisanship and gridlock that has become so common in the United States.

The tendency toward consensus among policy analysts in Germany has been encouraged in others ways too. One is the Leibniz evaluation, a process launched in 1977 by which an esteemed scientific professional organization, the Leibniz Association, reviews each economic policy research institute every seven years. The Association judges each institute on the quality of its policy research,

its relevance for national policymakers, and its contribution to public debate. Institutes that score very high are admitted to the Leibniz Association, which brings both monetary reward and a significant boost in status. It is a coveted honor. A senior official at the Cologne Institute for Economic Research told us that this process triggered a "race to the top." Institutes strive constantly to adopt state-of-the-art research techniques, which leads to a degree of consensus in how they conduct their analyses and in turn, the findings they tend to come up with. It makes reaching consensus just that much easier for politicians, too, when the experts are judged to be top-notch and in agreement.

Things are different in European countries where the activities of policy research organizations are set up in ways that often promote consensus-making more than partisan combat.

Denmark is even more consensus oriented than Germany. For example, the Danish Economic Council includes representatives from the major labour and employer associations, the central bank, key ministries and other important economic organizations. It is run by four economists, commonly known as the Wise Men, whose job is to conduct forecasts, make policy recommendations, and try to facilitate consensus within the rest of the Council. The Danes also rely heavily on a number of ad hoc commissions staffed primarily with experts in the relevant policy area, such as welfare reform or labour market policy, that conduct analyses and formulate policy recommendations for the government. These recommendations are then transmitted to Parliament where they provide the basis for legislation. The idea is for each commission to arrive at consensus after extensive consultation with labour unions, employer associations and other interested organizations. Finally, since the 1980s the government has insisted increasingly that ministries, labour organizations, employer associations, and anyone else seeking to influence policymaking offer sound empirical analysis rather than ideology to support their arguments. Otherwise, officials won't grant them access to policy deliberations. This has helped generate a degree of consensus in technical policy analysis and, as a result, in policy recommendations. Indeed, it is not uncommon now for the major labour and employer associations to share data, work on joint policy analysis projects, and even lobby Parliament together whenever they are in agreement on policy issues. Of course, Denmark is a small



country especially vulnerable to global forces around it. Since the onset of globalization in the 1970s, most political parties gradually set aside much of their ideological posturing in favour of more reasoned, data-based arguments. Not only has this elevated the importance of expert-oriented decision making but it has also infused Danish politics with an additional shot of moderation in the policymaking process.

The French have tried to encourage cooperative, if not always consensus-oriented, policy analysis. In particular, the Prime Minister's office directs the government's Council of Economic Analysis to conduct studies and make policy recommendations of all sorts. Once the Council has been given a task, such as recommending changes in pension reform, it gathers a variety of experts, often from universities and from a wide range of perspectives spanning the intellectual and political spectrum, to work on the report. Analyses are performed, opinions are expressed, and a final report is issued that covers the debate that has ensued. The Council does not always agree on everything. But the process encourages civil debate. Similarly, the Prime Minister's Center for Strategic Analysis helps coordinate the activities of several policy research organizations inside and outside the state in order to craft joint forecasts, policy analyses and recommendations with an eye toward consensus.

These organizations, as well as a few others operating privately but still funded by the state, were created in the first place by the Prime Minister's office when it became clear that fresh thinking was necessary in order for policymakers to cope effectively with the problems of globalization. The state's formidable in-house technocratic expertise was no longer viewed as being up to the task. So the idea was to create independent research units to which the state could outsource some policy analysis functions

in order to get second opinions. Nevertheless, the French still depend heavily, as they always have, on the state's own expertise, particularly at the national statistical institute and the Ministry of Finance, for much policy analysis and advice. A few small advocacy organizations, occasionally modelled on the Heritage Foundation, have cropped up in recent years but their influence on policymakers has been limited (although they do command some attention in the media). French policymaking remains comparatively insulated within the state, at least by European and American standards, as it has been at least since the Second World War. But these sorts of knowledge regime changes have opened things up a bit more to new ideas and voices from civil society.

French policymaking remains comparatively insulated within the state, at least by European and American standards, as it has been at least since the Second World War.

Which knowledge regime is best is in the eye of the beholder. In our view, the United States suffers from excessive partisanship and gridlock but also benefits from a diversity of viewpoints often missing in these other countries. French policymakers still rely to a considerable extent on in-house policy analysis, and so do not seem to have fully overcome their concerns about the state technocracy's stale thinking. Germany benefits from a comparatively high level of expertise across most policy research organizations, but runs the risk of a modicum of groupthink insofar as consensus-making tends to silence opposing views – a concern expressed publicly by those who criticized German economists for failing to see the 2008 financial crisis coming. The same might be said of Denmark, except for the fact that they are more deliberate in making sure that a wide range of voices, including those from organized labour, business, state researchers, and a wide variety of independent experts, are included in the conversation. At minimum, we hope that each country can learn from the experiences of the others in ways that can achieve an effective balance. Failing to do so will make it just that much tougher for policymakers to cope effectively with the problems of globalization. 



The article is adapted from *The National Origins of Policy Ideas: Knowledge Regimes in the United States, France, Germany, and Denmark* (Princeton University Press, 2014),

About the Authors

John L. Campbell is the Class of 1925 Professor of Sociology, Dartmouth College, and Professor of Political Economy, Copenhagen Business School. **Ove K. Pedersen** is Professor of Comparative Political Economy, Copenhagen Business School.