Intergovernmental Relations and Policy Choice

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In comet-like fashion the concept (or phrase) intergovernmental relations has entered the orbit of common political discourse. For a term that does not appear in any dictionary or encyclopedia, intergovernmental relations (IGR) enjoys extensive usage among scholars and policy-makers of various types and persuasions. Both novelty and conceptual significance suggest the need in this introduction for attention to the origins and characteristics of IGR.

Like IGR, the phrase "policy choice" enjoys some novelty but its significance is as yet, unrealized. We therefore explore the character and content of this term. In particular we will consider the confluence of streams of thought which suggest the utility of policy choice as a focus for confronting public problems in the IGR arena.

The Origins of IGR

"They fastened a name to every nook."
—Tappan

Federalism is a commonplace term. It has enjoyed extensive usage and varied but great political significance across the eighteen decades of U.S. constitutional history. The same cannot be said for intergovernmental relations. Only recently and increasingly has it pressed its way into the popular parlance of public officials and through the ivy covered walls of academe. As noted earlier, standard reference works fail to furnish a definition and IGR merits only random or incidental inclusion in textbooks on American government. Before spelling out the distinctive features of IGR a brief historical note on its origins seems in order.
One of the earliest usages of IGR in print occurs in a 1937 article by Professor Clyde F. Snider on county and township government.\(^1\) Correspondence with Professor Snider about his use of IGR elicited the following comment: “I doubt very much that I was the first to use the term but have no notion from whom or from what I borrowed it.”\(^{1a}\)

Another inquiry about its origins was addressed to Professor William Anderson, a man acknowledged by students of the subject to have contributed immensely to its development. Professor Anderson noted that “your letter of inquiry about the origin of the term is the first query on the subject that I can recall ever having received.”\(^2\) He commented further and sequentially that:\(^3\)

1. I cannot tell you exactly how the term originated, or when, or where.

2. There is no one person whose name is more fully associated with the early use of the term than my own (back in the 1930’s).

3. I used the term in lectures in American Government, Constitutional Law, and in a graduate seminar under the title ‘Federalism and Intergovernmental Relations.’

4. I used the term only in relation to the American system of government; to me the phrase is definitely an Americanism.

5. But I cannot tell you that I coined the term, nor can I say who first used it.

Anderson’s chief compatriot in creating and refining IGR was W. Brooke Graves. Graves served as editor in 1940 of a special Annals issue that was straightforwardly titled: “Intergovernmental Relations in the United States.”\(^4\) The issue contained twenty-five articles covering federal-state, federal-local, interstate, regional, and interlocal relationships. Curiously, however, neither the editor nor any of the authors felt the need to define IGR. Its use was indistinguishable from federalism, new federalism, cooperative federalism, and similar

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\(^{1a}\) Letter to the author, August 5, 1969.


\(^3\) Ibid.

\(^4\) The Annals, Vol. 207 (January, 1940).
formulations employed throughout the discussions. A quarter-century later Graves produced the magnum opus of the field, _American Intergovernmental Relations_.

By the 1960's, however, IGR had percolated and circulated into the thought processes of many policy-makers. The avenue to wider usage was paved in the 1950's when the congress twice employed the term in statutory language. In 1953 it created the temporary (1953-1955) Commission on Intergovernmental Relations (P.L. 83-109), commonly known as the Kestnbaum Commission. Later (in 1959) it brought into being the permanent Advisory Commission on Intergovernmental Relations (P.L. 86-390).

Formal usage and the operational significance of IGR during the 1960's and 1970's could be confirmed with varied evidence. We cite only illustrative indications from the national, state, and local levels. In 1968 the congress enacted substantive and explicitly intergovernmental legislation in the Intergovernmental Cooperation Act (P.L. 90-577). This was soon followed with the Intergovernmental Personnel Act of 1970 (P.L. 91-648). At the state level by 1970 more than half the states had established offices or directors to deal exclusively with IGR. Most of these were positioned in a staff relationship to the governor and tended to emphasize federal-state relations. On the local scene the impact and reality of IGR was reflected in the administrative structure of cities (and counties). A 1969 survey reported that more than three hundred cities had either a full-time or part-time intergovernmental relations coordinator.

**Gaining Force By Unusualness:**

**Distinctive Features of IGR**

How can we characterize the central concerns that have supported the actions, organizations, research, and scholarly activities pursued under the rubric of IGR? What features of our political system are incorporated in IGR that were inadequately reflected by prior and traditional terminology? We should ask what elements underlie the concept because, as William Anderson has remarked, IGR "is, I believe, a term indigenous to the United States, of relatively recent origin, and still not widely used or understood."

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We need look no farther than the author just quoted for a starting point in clarifying the concept IGR. Professor Anderson states that IGR is a term intended "to designate an important body of activities or interactions occurring between governmental units of all types and levels within the [U.S.] federal system." It is possible to use his general definition as a starting point to elaborate the concept of IGR.

First and foremost, IGR occur within our federal system. American federalism is the context, not the totality of IGR. IGR encompass more than is usually conveyed by the concept of federalism where the emphasis is on national-state relationships with occasional attention to interstate relations. IGR recognizes not only national-state and interstate relations, but also national-local, state-local, national-state-local, and interlocal relations. In short, IGR includes as proper objects of study all the permutations and combinations of relations among the units of government in our system.

A second important aspect of IGR is derived from the attention paid to the activities, interactions, and working relations among the persons occupying official positions in the units of government under consideration. Anderson again assists in making the point: "It is human beings clothed with office who are the real determiners of what the relations between units of government will be. Consequently the concept of intergovernmental relations necessarily has to be formulated largely in terms of human relations and human behavior . . . " We might add the comment that strictly speaking, then, there are no intergovernmental relations, there are only relations among officials who govern different units. Individual interactions among public officials is at the core of IGR. In this sense it could be argued that federalism deals with the anatomy of our system whereas IGR treats its physiology.

A third notion implicit in IGR is that relations are not one-time, occasional occurrences, formally ratified in agreements or rigidly fixed by statutes or court decisions. Rather, IGR are the continuous, day-to-day patterns of contacts, knowledge, and evaluations of the officials who govern. A major concern is with the informal as well as with the formal, the practices as well as the principles pursued in competitive and cooperative interjurisdictional patterns. This third facet of IGR reads into the concept those activities (as well as research studies) that have previously gone under the title of "coopera-
Intergovernmental Relations and Policy Choice

tive federalism" which the late E.S. Corwin's defined as one in which governmental entities "are regarded as mutually complimentary parts of a single governmental mechanism all of whose powers are intended to realize the current purposes of government according to their applicability to the problem at hand." These words from a constitutional law scholar provide the desirable emphasis on the working, problem-oriented informalities of IGR and at the same time are a reminder of the formal, legal, institutional context within which the relationships originate and flourish.

We have indicated that IGR recognizes multiple unit relationships, that it respects the primacy of public officials acting in an interjurisdictional context, and that it is concerned with informal working relationships in institutional contexts. A fourth distinguishing characteristic of IGR is its awareness of the role played by all public officials. Automatically assumed as integral and important to IGR are mayors, councilmen, governors, state legislators, members of congress, and others. But in recent years more attention has been paid to the actions, attitudes, and roles of appointed administrators. The increased focus on administrators as relevant IGR participants is a natural outgrowth of the increasingly important role played by public bureaucracies in government. The concern for the administrative aspects of IGR also arises, however, from attention to informal working relationships and from the academic leanings of most of the writers who have staked out claims to the IGR field. A majority of these persons have been oriented toward public administration and also held a strong interest in state and local government.

A fifth and final distinctive feature of IGR is its policy component. Federalism has, to a large extent, translated questions of policy into questions of law and relied upon the courts for their resolution. Economic and political complexity, combined with rapid rates of social and technological change, have greatly reduced the capacity of courts (and legislatures) to deal with continuous pressures for policy change. The secular shift from regulatory politics to distributive and redistributive politics signaled new power relationships and configurations to which the term "federalism" could be applied only with awkward and ambiguous modifiers, e.g., direct, private, functional, economic. From its origins in the 1930's, IGR was recognized as anchored in politics and suffused with policy. It retains those features in the 1970's.

IGR cut its teeth on the massive political and policy issues that remained following the Supreme Court decisions on the social welfare legislation of the New Deal. It reached early adolescence in grappling with federal aid to education, urban development, and civil rights. It is now attempting to claim maturity on issues related to citizen participation and effective services delivery systems. Near the policy core of IGR have been fiscal issues. These have been dominated by allocational issues: Who shall raise what amounts by what method from which citizens, and who shall spend how much for whose benefit with what results? This "fiscal fixation" has sometimes skewed diagnoses of and prescriptions for IGR problems but the main point stands—IGR is centrally concerned with policy. As the Kestnbaum Commission noted in 1955, "The crucial questions now are questions of policy: What level ought to move? Or should both?" These questions, the Commission added, are ones on which the criteria for judgment "are chiefly political, economic, and administrative rather than legal."

The five distinctive features of IGR are summarized in Table 1. These characteristics combine and interact to produce new directions, vectors, and results in the conduct of public affairs in the United States. A new term or phrase to describe these special features therefore seems amply justified. The term, IGR, alerts us to the multiple, behavioral, continuous, and dynamic exchanges occurring between various officials in our political system. It may be compared to a different, novel, and visual filter that can be laid on the American political landscape. It permits us to observe, classify, and cumulate knowledge without obscuring other relevant data to which prior political concepts have attuned us.

Policy Choice

"Economy . . . when exercised over men becomes policy"

— Plutarch

Relatively few precedents exist for using the term policy choice as an approach to the study of public problems. The one adopted as a thematic framework for the articles in this symposium defines the term as theory and research that "contributes to choice between

12 Idem.
Table I
Distinctive Features of Intergovernmental Relations

1. **All Units (Multiple Entities)**
   - National
   - Municipalities
   - States
   - Special Districts
   - Counties
   - School Districts

2. **Interactions of Officials (Informal)**
   - Behavior
   - Perceptions
   - Beliefs
   - Preferences

3. **Continuous and Cumulative (Regularities)**
   - Day-to-day Contacts
   - Working Relationships
   - Cumulative Patterns

4. **All Public Officials (Administrators)**
   - Elected Officials
     - a. Legislators
     - b. Executives
     - c. Judges
   - Appointed Administrators
     - a. Generalists
     - b. Functional Specialists or Program Professionals

5. **Policy Emphasis (Fiscal Focus)**
   - Financial Issues
   - Anchored in Politics
   - Suffused with Policy

better and worse policies." This definition is close to the conventional meaning for the frequently-used term "policy analysis." As conceived and discussed below, however, policy choice draws upon intellectual antecedents from four distinctive arenas of discussion. Those four streams of thought are: (1) policy sciences, (2) public policy, (3) public choice, and (4) policy analysis. Brief characterizations of each are pertinent to our aim of specifying the significance of policy choice.

1. **Policy Sciences**

   Attempting to locate the origin and usage of this term would likely be more difficult and less productive than in the case of IGR. Its recent significance and impact, however, could be traced to the publications of the Lerner and Lasswell volume *The Policy Sciences*

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in 1951. Since that date the currents of thought and analysis surrounding it have ebbed and flowed unevenly. There does appear to be one persistent and predominant theme in the policy sciences literature over the past quarter-century. That theme might best be described as a macro, process, or system-level approach. In describing the policy sciences orientation Lasswell claimed, "In part it is directed toward the policy process and in part toward the intelligence needs of policy." Two further quotations from articulate advocates of policy sciences will solidify the point.

Writing of "Policy Sciences" in the *International Encyclopedia of the Social Sciences* Lasswell indicated that "The policy sciences study the process of deciding and choosing and evaluate the relevance of available knowledge for the solution of particular problems." He further notes that a policy scientist studies "the choosing process." Yehezkel Dror, a second proponent of this approach, elaborates the characteristics of a policy science, including "policy science should try to achieve a holistic attitude, dealing with the policymaking system as a whole and considering the effect of changes in single variables on the overall quality of policymaking." More recently Dror advances "a most important conclusion: Improvements of policies depends largely on reform of the policy making system." (italics in original).

Both Lasswell and Dror advocate rationality and comprehensiveness. This normative position is not an imperative part of the policy science approach, however. Charles Lindblom, who does not explicitly adopt the policy science term, operates at the same system or process level of discourse. He merely specifies and adopts a contrary (or more modest) normative position, incrementalism. Like Lasswell, Dror, and others, however, he does systematize the approach in "The Science of Muddling Through" and subsequent works.

15Ibid., p. 3.
At least four distinctive features of the policy sciences orientation emerge from this discussion. They are:

a. its explicit normative bent;

b. a concern for the system or process by which choices are made as a major independent variable;

c. a view of substantive choices (policy) as the dependent variable; and

d. information or knowledge as an important intervening variable.

2. Public Policy

Two subsets of research and theory are enveloped in literature that has public policy as its primary focus. The first is the case study approach developed shortly after World War II and expanded into a hardy strain to the present day. The second, more recent, and attention-demanding body of research and theory is the comparative approach to the study of policy outputs. This latter set has featured American state governments as the chief units of analysis and it has precipitated research, findings, and controversies that cannot and need not be reviewed here. Both the case study strategy and the policy output studies share common features which we suggest as apt characterizations of the public policy approach. These are:

a. policy output as a dependent variable;

b. an emphasis on description and explanation rather than on normative or prescriptive judgment;

c. a clear differentiation between political and economic domains, i.e., public and private sectors, with an effort made to show the relative influence or linkages of the two; and

d. the policy studied is largely researcher-originated and the analytical methods, criteria etc. are largely researcher-defined.

A few supplemental observations on these features should be helpful.

While the term “output” is not unambiguous, it does convey the strong product, substance, or content-focused character of the public policy approach. The emphasis and contrast in relation to the policy


sciences approach is capsuled in statements by Hofferbert, "The concern of this book is with the products of political systems. It is concerned with the formation and inner workings of governments only insofar as they may help us understand these products." 23

The reduced importance of normative considerations and the increased concern for scientific rigor is another feature of the public policy approach. This is reflected in the attention given to description and explanation. Dye contends, for example, that "Today the focus of political science is shifting to public policy—to the description and explanation of the causes and consequences of government activity." 24 (italics in original)

For its theoretical undergirding the public policy approach leans heavily, if not exclusively, on the systems model. But the level of abstraction and conceptual frames of the model are broad, e.g., Environment—Political—Outputs. In this respect the public policy focus was cut from similar macro-level cloth as the policy sciences approach. It does not aspire to or attain the precision and specification of the "systems approach" as that term has evolved in policy analysis research. Removed, or at least distant from sharply specified and precise problems, the public policy approach has accumulated at least two features that have prompted considerable controversy.

First, the approach allowed a broad domain in which the researcher could (and did) develop or state the policy problem on his terms. Researcher-orientation as a basis for problem definition led to charges of non-relevance or irrelevance leveled against public policy studies. Second, the distinction drawn between the political and economic domains structured an economics vs. politics debate. That controversy not only put political scientists on the defensive but probably resulted in more misdirected than productive and innovative research.

There is a third side-effect to public policy research that should be noted. This limiting factor resulted from a combination of the static features of the systems model and the compulsion to "explain" variations in policy outputs. An inordinate amount of research was strictly cross-sectional (i.e., at one point in time) and a fascination approaching near-fixation developed for the correlation coefficient (or the coefficient of determination). Longitudinal analyses were rare.

and attention to regression analyses went unnoticed despite admonitions that economics would have an important bearing on the "coming shape of political theory." Before political science could probe and borrow fruitfully from economics, however, a group of economists were on the initiative and staking out claims to concerns of political scientists under the rubric of "public choice."

3. **Public Choice**

By public choice we refer to a body of theory and literature that once might have been classified under the term political economy. But the initiative, bent, and thrust of economists like Arrow, Buchanan, Downs, Niskanen, Olson, and Tullock preempted the arenas of discussion and produced what might more aptly be termed the economics of political (or collective) decision-making.

An inventory of issues, research, and findings in the public choice literature is beyond our scope or intent. A few illustrative problems may help fix the field more clearly in mind. Among the problems addressed by public choice theorists are: (a) decision rules characteristic of democratic governments, (b) non-market decision-making and allocational choices involving public goods, (c) institutional arrangements (including weaknesses) as they relate to externalities (both positive and negative), and (d) individual obligations, group size, and the managing of common resources.

This sketch of the public choice approach provides a basis for identifying its distinctive features. We suggest that those features are:

a. heavy reliance on formal theory, proceeding deductively from a set of postulates, axioms, or givens;

b. a micro-level rather than system-level focus, sometimes called reductionist or "methodological individualism" because the individual (or individual choice) is the basic unit of analysis;

c. system-level arrangements, such as governmental jurisdictions, bureaucratic structures, constitutional provisions (decision rules) are viewed as dependent variables; and

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d. significant modifications in the sharp distinction drawn between the public sector and private sector domains.

Public choice theory has had at least three important consequences or influences on research and theory in the general arena of policy questions. First, it has infused logic, rigor, and formal analysis into an arena not previously noted for such styles of thinking and modes of analysis. Second, it has introduced a normative tint that is conservative according to contemporary perspectives, although liberal by classical standards. Third, it has revived and emphasized the relevance of individual consumer preferences as a component in theorizing about non-market decision-making.

4. Policy Analysis

The origin of the term policy analysis is also buried or lost in the turmoil of political and administrative history during the past generation. We might hypothesize that the first significant operational use of the term occurred when some obscure government bureau created a “policy analysis” section to pursue the eternal administrative question: “How are we doing?” If our notion is correct, its origins carry continued significance for the meaning of the term today.

There is no one definitive interpretation or overview of the policy analysis literature nor, as in the case of the other three terms, do we suppose that ours is an exhaustive or exclusive characterization. A précis of the approach was recently advanced and we find it difficult to improve upon the major themes developed in “Toward a General Paradigm for Policy Analysis.” Professor Bernstein says “Policy analysis is the attempt on the part of social scientists to remedy [an] informational vacuum by studying problems of society through systematic frameworks which include the means for gauging changes in society’s condition through various policy interventions taking the form of either allocation or regulation.” He further asserts that while policy analysis is not a new intellectual effort, “the difference between current and preceding endeavors lies in the degree to which plans are avowed, the formality with which objectives are spelled out, and the specific techniques used to achieve planned objectives.”

28 ibid., p. 49.
29 ibid.
A further component of the policy analysis approach comes from two writers who have straightforwardly confronted its focus. Cook and Scioli contend that the basic question of policy analysis "can be stated simply as follows: does a public policy achieve the desired objectives for which it was designed?" 30 This imposes the unmistakable requirement of evaluation. Cook and Scioli contrast policy analysis with the public policy approach, indicating that the former "line of analysis would treat policy outputs as independent variables and the impacts of these policy decisions as dependent variables." 31

These general reflections are adequate groundings for us to offer a brief, somewhat crude, but best approximation of policy analysis. We suggest that among the distinctive features of the policy analysis approach are:

a. a strong normative component, denoted especially by the presence of goal or objectives statements and a concern for evaluation based on goals or objectives;

b. derivation of research problems based on reasonable or close proximity to a choice faced by decision-makers, i.e., an applied emphasis;

c. advanced or sophisticated quantitative techniques that demand empirical data at advanced or known levels of measurement, i.e., a high information approach accompanied by a bag of "tools;" and

d. adoption of a systems model that aspires to a high level of sophistication, completeness, and dynamic character.

The applied elements present in the policy analysis approach prompted enlightening observations from a leading public policy oriented researcher.

Dye, in discussing the relationship between policy analysis and political science, emphasized the tensions and contrasts between "problem-oriented versus theory-directed research." 32 Researcher roles and control over variables were noted as two factors contributing to sharp differences between policy analysis and the disciplin-

31 Ibid.
ary orientations of political scientists. Dye's statements are worthy of extended quotation.  

Applied policy research begins with a societal problem which is formulated outside of the discipline.

In contrast, basic policy research generally originates as a test of some general theoretical proposition about the causes or consequences of public policy.

Moreover, in applied research it is necessary to give greater attention to variables that are subject to governmental manipulation, rather than to variables which cannot be manipulated by policy makers. (Italics in original)

In contrast, basic research frequently tries to explain as much of the variance as possible and gives attention to those variables which explain the largest proportion of the variance. (italics in original)

The polarity of the above assertions and the contrasting features of the four streams of "policy" thought prompt us to suggest the utility of policy choice as a framework for pursuing policy problems.

5. Policy Choice

A few paragraphs are insufficient to develop extensive and well-delineated starting points for a new strain of theory and research. The best that can be done at this juncture is to offer a few indications of themes and postures that a policy choice approach might adopt. The observations will reveal aspects and antecedents drawn from the other four approaches but will formulate a focus distinct from any one (or all) of them. The features of a policy choice approach also anticipate the character and content of the contributions to this special issue.

A starting point for the policy choice approach is the acknowledged, active role of the researcher. If policy choice studies are to contribute to decisions "between better and worse policies," then the policy choice practitioner must acknowledge his prescriptive and normative roles. He will, in other words, be alert to the "politics of expertise" that this presence (and research) brings to the conditions of choice. In this respect policy choice relies on the normative features present in previous approaches.

In contrast to prior orientations the policy choice approach would avoid a fixed commitment to one set of variables as dependent and

33 Ibid.
Intergovernmental Relations and Policy Choice

another set as independent. The avoidance of fixed, predetermined, and unalterable variable sets would prevent analytical rigidity. The nature of the real world, and any body of theory that attempts to approximate it, is likely to be complex and shifting. The preservation of options concerning dependent and independent variables could allow desired flexibility without introducing mere eclecticism.

A policy choice approach should attempt to span the problem focus gap between the policy sciences and policy analysis approaches. The former has explored macro or system-level concerns; the latter has emphasized a precisely-focused, problem-solving orientation. Policy choice would recognize the need for simultaneous attention to both macro and micro-level analysis. It would go one step further and attempt to develop logic and methodology that would link micro and macro findings.

Policy choice utilizes the strong empirical bent of the public policy and policy analysis approaches. It seeks a level and precision of measurement appropriate to the problem. It relies on sophisticated methodology yet consciously avoids letting methods, statistics, etc. become screens that obscure results and policy-relevant findings from those who must make policy choices. In short, descriptive-explanatory efforts are linked to prescriptive and normative concerns.

The policy choice approach does not grant "that explanation must precede prescription." Rather, it suggests that explanatory and prescriptive efforts may proceed simultaneously and that both perspectives can benefit from direct interaction with the other.

To assert the possible and beneficial nature of inducing interaction between two modes or styles of thinking does not bring it into being. One way of viewing the bridging difficulty is to imagine two individuals, "A" and "S", each personifying contrasting modes of thought. The exclusive orientation of A is toward action, toward pursuing and prescribing what seems best in a given situation. A perceives the need for decision and is prepared to act, or advise on action, relevant to the decision. In contrast, the thought mode of S is systematic, comparative, and explanatory. S looks for and thinks about similarities, regularities, and commonalities across a variety of cases or conditions.

The two thought styles have been described in an epigram: "A acts before he thinks, if he ever thinks; S thinks before he acts, if he ever

acts." Furthermore, A conceives only of probabilities involving zero or one, i.e., dichotomous and exclusive alternatives; S conceives of all probabilities except zero and one. This characterization is simplistic and overdrawn. It does help make our point, however; the policy choice approach requires analysts who can reconcile A and S modes of thought. Persons engaged in the policy choice process need a systematized, action orientation.

Finally, and consistent with the foregoing features of policy choice, this approach rejects the dichotomy of problem-oriented versus theory-directed research. It asserts the feasibility and necessity of linking so-called problem research with theory. It accepts Kurt Lewin's contention that the only good theory is one that can be applied in practice. There is, of course, a wide range of formulations that pass as "theory." We cannot confront the several aspects of this problem in the capsule fashion required here. But we do contend that policy choice theory can have elements of the rigor present in the public choice approach. It would also incorporate dynamic, change-oriented tendencies that seem inherent in the normative and explanatory formulations of public choice theory.

This exposition of the policy choice posture reflects the intellectual groping and lively ferment present in the amorphous area of "policy." No single concept or phrase will cause pieces of the policy puzzle to fall into neat and assigned places. These retrospective and prospective observations may assist in some reorientation on how the social sciences can most meaningfully relate to significant public issues. 36

If the policy choice posture has something to offer, its assets will emerge from three sources in this special issue of Publius. A first source will be in the exposition of the policy choice approach in comparison and contrast to the four other approaches to policy. A second source from which advantages may accrue is from interaction with the IGR approach. The complexity, diversity, and contemporary pertinence of IGR suggests the value of a conceptual essay examining the patterns produced by linking the features of policy choice to the distinctive features of IGR. The third and best confirmation of the assets in a policy choice approach is contained in the following six essays. The problems posed, the orientations of the

authors, the methods employed, and interpretations of findings are all intended to represent the advantages in approaching IGR and public problems from the policy choice perspective.

Essays on Policy Choice

"Morality may consist solely in the courage of making a choice."

— Blum

The conceptual frames and initial elaborations of IGR and of policy choice have been provided. Our aim at this stage is to integrate and illustrate these approaches with the essays that follow. We will pursue a two-fold strategy to accomplish this intent. First, we summarize the major descriptive thrusts of each of the six essays. Then we extract from each essay noteworthy aspects of IGR and policy choice with special attention to features that reveal the links and interactions between policy choice and IGR.

Essay Summaries

Harvey Garn and Michael Springer from the Urban Institute open explorations of the IGR and policy choice terrains with a provocative conceptual essay on grappling with metropolitan growth policies. Their discussion of "Formulating Urban Growth Policies: Dynamic Interactions Among People, Places, and Clubs" attempts to put handles on urban growth problems at the level of basic theory. The unwary reader should not anticipate conventional comments about transportation bottlenecks and sanitation problems. On the contrary, the authors probe deeply and systematically into such topics as non-equilibrating systems, consumer and producer transformation processes, structuring, channeling, places, and clubs.

Garn and Springer have the declared intent to develop a formal and explicit scheme that permits them to interrelate individual preferences and actions, group behavior, and governmental roles (through structural arrangements and substantive powers). The prime purpose of their formal framework is strategic rather than tactical. They want to improve or otherwise better the fundamental postures and perspectives by which analysts approach urban growth issues. Their original theoretic discussion uses a set of three key variables: (1) clubs of producers and clubs of consumers seeking to enhance special or particularistic values, (2) clubs of clubs (governments) responding to and redirecting club behaviors by asserting universalistic or collective values, and (3) arrays of "places" (not necessarily geographic) that have utility for clubs and clubs of clubs.
The two response-redirective mechanisms available to governments in this model are channeling and structuring. The former refers to substantive powers and policies such as zoning and land use, mass transportation, and industrial location incentives. Structuring is close to its conventional meaning and involves such matters as creating new jurisdictions (units of government or agencies), altering jurisdictional boundaries, or reassigning functions among jurisdictions (e.g., metropolitan reorganization). Structuring largely determines who shall decide whereas channeling defines what shall be decided.

Perhaps the most telling points made by Garn and Springer involve structuring and channeling. They emphasize (a) the interdependency and interaction between them, (b) the second and third order effects of determinations in either domain, and (c) the unstable, dynamic, and non-equilibrating character of urban environments and systems.

Following conceptual leads introduced by Garn and Springer, David Porter pursues aspects of consumer preferences as they affect or fail to affect the provision of public services through a complex of intergovernmental agencies, mechanisms, and policies. Consistent with the title of his essay, "Responsiveness to Citizen-Consumers in a Federal System," Porter is deeply concerned about the non-responsiveness of producer-agencies to signals of dissatisfaction from citizen-consumer-clients. Porter's discussion, analysis, and preference for vouchers in some public service programs should be seen as a means of allowing consumer preferences to impact with formidable force on inattentive public agencies. The signals or "blows" delivered by citizen-consumers would hit agencies in the most sensitive part of their solar plexus—financially in the form of reduced budgets. Can one imagine a more disciplining organizational skin-bracer as a means to induce "responsiveness"?

Porter has other pertinent descriptive and prescriptive messages for every thoughtful reader. Perhaps his most distinctive and debatable contribution involves the low status position of the citizen-consumer versus the public producer-agency. The reader may wish to ponder his own experience, knowledge, and judgment on this fundamental issue as he delves into this arena signified by the term "grants economy." Porter's extensive and appropriate use of figures give the reader visual ropes for mooring or anchoring otherwise complex conceptual relationships.

Like Porter, David Warner is concerned, perhaps incensed, at the lack of restraints on public producer agencies. Warner's specific focus
is "Fiscal Federalism in Health Care," a policy arena long noted for its intractability to policy direction. If it were merely intractable but benign, Warner might not have been spurred to tackle the problem area. Warner identifies several variables that combine to produce fiscal consternation and chaos accompanied by resource misallocation and service deterioration in the health field. Among these are: (1) the elastic demand for health care, (2) the pluralistic, political, professionally-autonomous institutional arrangements, and (3) the cost-increasing incentives accepted or fostered by federal financing.

With this scenario for a starter Warner explores federal, state, and local roles and responses to medicare-medicaid initiatives. The momentum and inertia of the health care non-system leads to service inequities but Warner's emphasis is cost-oriented in contrast to Porter's citizen-consumer, service delivery orientation.

Cost levels and cost increases are more than impressive; they are frightening. Warner has an explanation that lies not only in intergovernmental institutional arrangements but in a para-governmental structure that allocates (or misallocates) health-related resources on a regional basis. This public, quasi-governmental entity is Blue Cross-Blue Shield. Blue Cross-Blue Shield is strategically located in the health care financing scheme to determine where revenues in excess of service costs will be accumulated.

Warner's analysis is also distinctly different from Porter's in another way, i.e., assessment of voucher systems. In contrast to Porter's sanguine view of voucher-based consumer preferences for constraining producers, Warner sees the open-ended voucher arrangements in Medicare and Medicaid as fitting comfortably into producer's game plans. The oligopolistic features of the health field furnish control capabilities for which there are few if any current external constraints. For Warner the extent to which providers of health care are autonomous and have independent market power makes market-type reforms unworkable. Instead, he believes that cost and service accountability can be recovered by more effective comprehensive planning and through regulatory mechanisms.

Porter and Warner differ on strategies for inducing external disciplining forces into the consciousness of public service producers but they are like-minded in approaching problems from a macro or system-level view. For Tyrone Baines the macro approach of grant consolidation (or special revenue sharing) as a means for correcting some inadequacies of categorical grants is a matter of major concern. In
"Categorical Grants and the Local Community: The Delivery of Relocation Service," Baines looks at clients' perceptions and assessments of services delivered under four categorical grant relocation programs. His client-consumer approach produces some surprising results.

Baines finds that important facilitative roles are played by third parties such as civic-motivated and profit-motivated groups (cf. Garn and Springer's "clubs"). This disclosure offers useful analogs and contrasts with Warner's findings on the significance of third-parties on costs, services, and benefits. Baines also uncovers the special and somewhat unexpected positive presence of state government in fostering more favorably perceived relocation services. Finally, Baines' research resuscitates bureaucracy as a viable and reputable element in service delivery. Baines concludes that "more bureaucracy" is "not necessarily a deterrent to delivering service related to human problems such as relocation."

Baines associates himself with the New Public Administration movement and the normative orientation toward social equity. He nicely juxtaposes that view with his "more bureaucracy" finding. From this apparent paradox the reader can discern the implied conclusion that equity and bureaucracy are not incompatible elements in the delivery of at least some public services. Indeed, Baines could be credited with creating a new three-legged service-delivery stool constructed of Equity, Efficiency, and Effectiveness.

Baines broaches in broad form several issues associated with categorical grants. In the following essay Russell Harrison considers "Federal Categorical Grants and the Stimulation of State-Local Expenditures." Harrison focuses specifically and in depth on a single controversial issue involving categorical grants: Do they stimulate additional expenditures by recipient jurisdictions? A substantial body of research on the question has arrived at predominantly affirmative results. Aid is predominantly and significantly stimulative, although doubts and differences on the issue remain prominent and pertinent to policy choices.

Harrison provides a thoughtful and systematic overview of prior research, including impressions as well as interpretations of fairly extensive empirical research. His review leads to a careful reexamination of the methods as well as findings from prior research. He concludes that systematic biases have been present in most previous
analyses and he offers revised estimates of the stimulus effects of federal aid on state-local expenditures.

Harrison's reassessment of several research studies concludes that the stimulus effects of federal aid are greatly overstated. Indeed, he finds the absence of any conclusive stimulus effects either for overall state-local expenditures or for the "big three" federally aided functions of highways, welfare, and health. Harrison does not leave the issue without further enlightenment, however. He selects for independent and original empirical analysis federal aid for vocational education. This categorical grant has existed over a long time period, is closed-ended, and has specified matching ratios.

The distinctive features of Harrison's analysis are several. First, he deals with aid data over a quarter-century, 1942-1967. Second, the aid program is discrete and disaggregated; it is not a global, functional category as broad as education, health, highways, or welfare. Third, he makes corrections for the biases that qualify or cast doubt on the findings of prior research. Finally, it should be noted that vocational education is selected as an example of the "pure and most probable" case. In this context it is significant although not surprising that Harrison finds dramatic stimulus effects of federal vocational education aid on state and local outlays for this activity.

Laura Irwin's essay on federal aid carries Harrison's analysis several steps further. In "Expenditure Effects of Federal Aid: Data Aggregation and the Risk of Uncertainty," she searches for and finds a methodology for dealing with federal aid data that appears to produce a better compromise between too much and too little data.

In dealing with the data aggregation question, Irwin confronts a difficulty faced explicitly or implicitly by federal officials in assessing the expenditure effects of federal aid policies. If highly detailed (disaggregated) data are used, high decision costs will result from data generating, processing and interpreting efforts. The massiveness and complexity of the data arrays and statistics will also compound the choice process itself. On the other hand, aggregated data and statistics pose problems for the decision-maker because of oversimplification. Aggregation increases uncertainty by raising the probability that the summary information fails to reflect accurately the values for individual cases in the aggregated set. Aggregation decisions present problems of tradeoffs between probabilities of error and decision costs.
Irwin demonstrates the difficulties and dangers from a policy perspective of dealing with either aggregated and disaggregated data. Using the same raw data analyzed at two different levels of aggregation, she produces results that lead to opposite conclusions. For example, by aggregating state highway expenditures (per capita) on a national basis for the years 1951 through 1967 one would conclude that federal aid (per capita) is not stimulative but substitutive, while controlling for per capita income. The regression coefficient of federal highway aid on state highway outlays is —.47. In contrast, if the 48-state data are treated discretely for each of 16 years, producing 768 pooled data items, the relevant regression coefficient is positive (.34) and suggests a stimulus effect.

Sharply contrasting but not directly contradictory findings are disclosed by the two different aggregation approaches for education and welfare outlays. The difficulty posed by aggregation choices becomes a true dilemma for the policy analyst attempting to assess the expenditure effects of federal aid. The statistics associated with regression and correlation analysis offer no rational or unambiguous basis for choosing one method of aggregation over another.

To mitigate if not eliminate the aggregation dilemma Irwin proposes a methodological compromise. From a federal policymaker's standpoint one way of understanding and appreciating Irwin's compromise approach is in terms of the number of information items (e.g., regression coefficients) used to ascertain and interpret federal aid effects for a given function, e.g., education. Instead of one, 48, or 768 items, Irwin proposes a method that yields a set of four statistics which not only supplement the single aggregate statistic but bear a meaningful and policy-relevant relationship to the aggregate item. These component statistics reveal the effects of individual state variations to changes in the federal aid variable. While the statistics may boggle the minds of some readers the overarching essence, elegance, and even simplicity of Irwin's analysis should not be lost. Her findings on variable state responses to changing federal fiscal initiatives document differential state patterning under fiscal federalism. The significance of Irwin's approach has not been overlooked by some federal officials; she has received agency research funds to apply her approach to less aggregated data.

Policy Choice and IGR

The evidence of linkages between IGR and policy choice have emerged at and above the surfaces of the preceding discussions. Here,
at the close of this introduction we selectively highlight in advance certain themes present in each of the subsequent essays that illustrate the utility of connecting these seemingly disparate fields of study and terms of discourse.

From the IGR side of the ledger, so to speak, Garn and Springer deal with jurisdictional boundary issues that are both spatial (geographic) and non-spatial. In the best Madisonian tradition they see the significance of the link between interests and jurisdictions defined as either geographic or political spaces. From the policy choice perspective Garn and Springer are admirably representative of the effort to link macro-level and micro-level processes into a viable policy-oriented formulation. In this respect they blend macro features of the policy sciences with with micro-level assumptions of the public choice theorists.

David Porter uses terms and relationships long common to students of intergovernmental fiscal relationships. Budget processes and grant monies are intimately related. But Porter moves beyond budget choices (cf. public policy) and citizen-consumer interests (cf. public choice) to consider the impacts (cf. policy analysis) of public actions in an intergovernmental framework. His normative-prescriptive concerns are explicit and he exemplifies the manner in which explanation and prescription can proceed simultaneously. For Porter promising solutions are found not only in the restructuring of fiscal mechanisms but also in the “channeling” strategies of Garn and Springer where citizen-consumers will be given new substantive powers, i.e., fiscal leverage over public producer agencies.

David Warner’s intergovernmental focus draws upon policy strategies originated in the Johnson “creative” or “private” federalism period, i.e., private and quasi-public groups extensively involved in furthering public purposes. The health field is replete with such groups and Warner’s analysis is a valuable reminder of the parallel patterns of private power that occasionally (or more often) spill over into the public, IGR arena. The cost-oriented concerns expressed by Warner are not only avowedly normative but they also derive from a policy choice perspective that is sensitive to the effective allocation of resources, to the importance of collective choice mechanisms, and to the damaging consequences (negative externalities) of particular cost-increasing incentives.

Tyrone Baines, while adopting a skeptic’s “show me” posture with regard to special revenue sharing (grant consolidation) proposals, is
strongly normative in his concern for equity as well as effectiveness in the delivery of services to dislocated urban residents. Relocation programs and services have been notorious in IGR for the problems of coordination and implementation they engender. Thus, Baines' essay is at the confluence of numerous issues and conflicts where, according to our policy choice focus, there is a significant opportunity to influence choices for better and against worse policies. To the extent that policy choice draws upon formulations from the policy analysis literature Baines treats output (agency actions) as an independent variable and impacts or outcomes (client satisfactions) as dependent variables.

In examining the stimulus effects of federal aid Russell Harrison introduces critical, quantitative, qualifying conditions into a policy question of major moment. His analysis has an obvious evaluation-oriented element pervading its pages. The chief policy presumption or objective on which federal grants-in-aid have been based has been the explicit or implicit intent to stimulate the states (and localities) to enter upon and/or expand a service activity. Yet it is surprising, if not amazing, that a comparative handful of studies have attempted to assess the stimulus effects of federal aid and many of these have not been fully adequate to the task because of methodological or aggregation problems.

Laura Irwin's essay expresses in careful as well as prominent fashion the role and focus of a researcher pursuing a policy choice approach to an IGR problem. She shows a sensitive and a precise appreciation of the dilemma of a decision-maker who needs more information marshalled and summarized to insure the needed degree of detail but who also needs to keep decision costs within reasonable bounds. In this respect, she, like all contributors to this volume, has been alert in formulating research problems related to the real world of policy choice as faced by decision-makers in an IGR context. At the same time it seems amply evident that problems of theory have not been ignored or sacrificed. Indeed, there are, it seems to this observer-editor, several common components, postures, and concerns shared by the contributors to this special issue. Among the two strongest are (1) explicit normative concerns and (2) pursuit of firmer theoretical and methodological foundations. Both themes are focal points around which the authors aim to influence, for the better, policy choices that are made in the arena of intergovernmental relations.