

POPULISM, POLICY ANALYSIS AND THE ECONOMY

34TH ANNUAL REMI USERS' CONFERENCE

Populism: A political approach that appeals to ordinary people in opposition to the elite

Policy Analysis: The process of studying policy to learn more about it (typically done by experts)

The Economy: a complex system of production, distribution, and consumption of goods and services

Dealing with the Conundrum



- ❑ Unavoidable tension between democratic populism and expert analysis
- ❑ Bifurcation of populism
- ❑ Clear communication and transparency is vital
- ❑ Our role should be as active participants, not passive bystanders
- ❑ Learn from the grassroots impulse

Tension Populism and Analysis



- Everyone's Opinion Is Equally Valid
- "For every problem, there is a solution that is simple, neat—and wrong." HL Menchen

Polarized Direction



- Bifurcated policy direction
- Echo chamber of the left and right
- Congressional approval rating: 18% approve, 78% disapprove—yet keep voting for same members

Example: energy and environment (polarization)



- Climate change a hoax or civilization ends in 10 years
- Policy direction: either policies such as ending methane restrictions, motor vehicle emission standards *or* ban fracking on day 1, eliminate fossil fuel industry in a decade

Clear Communication



- “Messaging” – putting a bow on a bad policy?
- Analysts can and should do better to communicate findings to the general public
- What’s your elevator pitch?

Active Participation



- Core part of REMI User's group ethos: engage with the policy decisions
- Provide actionable findings and meaningful conclusions
- Engagement of stakeholders in the analysis

Learn from Grassroots Impulse



- Rise of China – need to re-evaluate classical model of trade
- Minimum wage: red state-blue state political economy
- “Starts the conversation”: reexamination of capitalism; the role of immigration

Other Areas



- ❑ Labor
- ❑ Health Care
- ❑ Trade
- ❑ Fiscal
- ❑ Education
- ❑ Transportation
- ❑ Disasters and Resiliency
- ❑ Cannabis, Gaming

Example: Energy/Environment/Economy (E3)



- Fundamental Disagreement on the Science
- Bifurcated Regulatory/Policy Direction
- Legal Uncertainty

Disagreement on Science (in the political arena)



- “This very expensive GLOBAL WARMING [bullxxxx] has got to stop” Trump, Twitter, Jan. 1, 2014
- “Is our country still spending money on the GLOBAL WARMING HOAX?” Trump, Twitter, Jan. 25, 2014
- “Climate change poses an existential threat—not just to our environment, but to our health, our communities, our national security, our economic well-being”—Biden climate platform, joebiden.com

Polarized Policies



- Administration repeal of regulations such as:
 - Greenhouse gas emission measure (for state DOT's track and reduce carbon dioxide emissions)
 - Oil and Gas Fracking Rule (disclosure of chemicals in fracking)
 - Clean Power Plan
 - Clean Air Act: Emission Standards (CAFE standards)
 - Safer Affordable Fuel-Efficient (SAFE) Vehicles
 - Rescission of California's waiver

Polarized Policies (cont)



Bernie Sanders \$16.3 trillion climate plan, declare climate change a national emergency (NY Post, Aug. 23)

Joe Biden \$1.7 trillion climate plan first 10 years, eliminate greenhouse gasses by 2050 (CNN.com, June 4, 2019). From democratic debate, 7/30:

Dana Bash: “Would there be any place for fossil fuels, including coal and fracking, in a Biden administration?”

Biden: “No. We would work it out. We would make sure its eliminated, an no more subsidies for either one of those, period.”

“On my first day as president, I will sign an executive order that puts a total moratorium on all new fossil fuel leases for drilling and offshore and on public lands. And I will ban fracking—everywhere.”

■ --Elizabeth Warren, Twitter, September 6, 2019

Legal Uncertainty



- California and almost two dozen states contesting rescission of California's CAFE waiver (NYT, 9/20)
- Legal limits on Executive Orders and Emergency Declarations uncertain
- Gridlock not certain (for example, reconciliation or end of filibuster, as proposed by some democrats, could allow legislation with a simple majority)

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Where to?



- Economic analysis for public policy is not easy
- Not new, but more challenging in a polarized democracy
- Ganbatte: technical expertise *and* clear communication

what does **REMI** say? sm