

# **The pernicious impact of partisan think tanks on policy debates**

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## Abstract

This essay explores the role of misinformation from partisan think tanks in distorting policy debates. It argues that there are two dimensions to disagreements in policy debates in a democracy: a normative dimension and a factual. These disagreements are reconcilable, especially when agenda setting mechanisms focus political actors on a narrow range of well-defined problems. Policy debates become unreconcilable when disagreements extend to the factual dimension. The essay then explores the role of partisan think tanks in fostering factual disagreements through misinformation.

Almost all substantive debates over public policy consistent of two components: a normative dimension and a factual dimension. Free speech questions often focus on the former: debates over the proper role of government in public or private life, moral questions surrounding policy outcomes and who deserves benefits or punishments. We often conceive of ideological politics more broadly as a competition to answer these core normative questions. As American politics has polarized, party elites increasingly hold and express dramatically different values and answers to major normative questions. Indeed, energetic normative disagreements are a sign of a healthy debate within a democracy.

The factual dimension of policy debates is just as important to policy debates. Experts debate a program's costs and benefits, how both are distributed and its risks or uncertainties. Reasonable experts will often disagree about the answers to key factual questions surrounding public policy. Those disagreements are healthy and necessary for any healthy policy debate. Factual disagreements become unhealthy when they extend to the political realm.

This essay will argue that factual disagreements short-circuit the problem-solving mechanisms of democracies and make it difficult for opposing parties to find compromises. It will also explore the role of think tanks and other partisan knowledge regime organizations in actualizing partisan policy preferences that arise from factual disagreements.

### **Information and Problem-Solving in Democracies**

Most policymaking by governments is structured by agenda setting problem-solving dynamics (Jones and Baumgartner 2005). Briefly, the problem-solving model argues that at any given time, a small number of highly salient problems capture the limited attention of policymakers (Baumgartner and Jones 2015; Fagan 2023). When a problem becomes salient

enough to demand attention over all the other potential problems, governments begin to search for solutions to address it. When conducting their searches, they need experts to help define problems and evaluate the consequences of solutions (Baumgartner and Jones 2015; Workman, Shafran, and Bark 2017). If they can convince veto players to enact a solution, they reduce the salience of the problem and move on to others.

Problem-solving reduces polarization when both sides agree on facts. If everyone agrees on the severity of the problem and the potential impact of a range of policy alternatives, the space for disagreement is constrained. Policymakers can debate the normative and political dimensions of a solution such as who should bear the tradeoffs of a policy solution, whether the benefits are worth the costs, or if a policy intervention is a proper application of the government's authority. But the range of solutions is constrained by effectiveness. There are only so many ways to successfully solve a problem with a public policy intervention. Two sides might disagree about which is best, but those differences will be reconcilable by virtue of not being too far apart. They can bargain to compensate the losers of a policy intervention. They can argue for policy solutions that are less intrusive. Competing policymakers will often settle on a deal that both sides believe is better than the status quo.

Indeed, we often observe these types of compromises in American policymaking. For example, as late as the George H.W. Bush Administration, Republicans were often leaders in the federal regulation of air pollution (Karol 2019). Facing increased acid rain caused by sulfur dioxide emissions from coal smokestacks, (Aldy et al. 2022). Unlike the Nixon and Ford administrations, Bush opposed “command and control” style regulations as a too intrusive governmental intervention into the private world (Schmalensee and Stavins 2013). Environmental Defense Fund president Fred Krupp convinced Bush that he could address acid

rain with market forces, rather than command-and-control regulations, by using an emissions trading system known as cap-and-trade (Horn and Krupp 2009). Bush liked the idea and proposed that the Democratic-controlled Congress create a mechanism to allow the EPA to create a cap-and-trade system to address acid rain. Bush signed the Clean Air Act Amendments of 1990 into law, giving the EPA authority to address acid rain as well as additional authority to regulate ozone, carbon monoxide and home appliances. It worked. Acid rain is no longer a salient policy problem. Conservatives, who were less inclined to support a new government intervention into the economy, shaped the policy response to acid rain by successfully arguing for the adoption of a market-based regulatory mechanism. Voters got an effective solution to a salient policy problem that they were concerned about. The problem-solving mechanisms of democracy were healthy despite requiring action from a Congress that was well on its way to the levels of polarization that we see today (Lewis et al. 2019).

However, this centripetal process breaks down when sides in a political debate disagree on facts in two ways: disagreements over the severity of the problem and over the cause-and-effect relationship between policy outputs and outcomes (Fagan 2024). In these cases, compromises such as the Clean Air Act Amendments of 1990 become much more challenging. When policymakers disagree over the severity of problems, it becomes difficult to cut through the fog of politics and decide when it is time to prioritize a problem. Problems left unaddressed continue to get worse, forcing larger and larger crises to occur for a problem to finally be prioritized. When they disagree over the cause-and-effect relationship between the policy output and policy outcomes, policymakers will struggle to agree to policy outcomes to address a problem. They might disagree over a program's cost, unintended consequences or efficacy. Even if both sides of the debate are acting in good faith and are concerned about the same problem,

these disagreements could lead opposing sides in a policy debate to believe that the other side's solutions are ineffective, dangerous or wasteful.

### **The Role of Partisan Think Tanks in Creating Factual Disagreement**

Washington, DC contains hundreds of think tanks (McGann 2016). Collectively, they are an important source of expertise, creativity and policy planning for American policymakers. Washington has no shortage of policy experts including staff (Crosson et al. 2021), legislative service organizations (Fagan and McGee 2022; Lewallen 2023), the bureaucracy (Workman, Shafran, and Bark 2017) and lobbyists (Fagan and Furnas 2024; LaPira and Thomas 2017). Non-partisan think tanks most commonly two roles. Some large non-partisans like the RAND Corporation mostly perform policy analysis on a contract basis with the federal government (McGann 2016). These think tanks are generally considered high quality information providers and staffed by highly qualified experts (Fagan 2024). Most non-partisan think tanks perform a bigger picture role, such as translating academic knowledge to policymakers and strategic planning (Fraussen and Halpin 2017; Workman et al. 2021).

Partisan<sup>1</sup> think tanks often play a different role (Albert 2019; Fagan 2024). Several large think tanks such as the Heritage Foundation and Center for American Progress (CAP) operate as close policy advisors to political parties in a role similar to formal party organizations (Campbell and Pedersen 2014; Fagan 2024). Indeed, European parties usually have a formal affiliation with publicly funded think tanks, who help political parties develop policy ideas, take positions, develop legislation and defend their policy choices in the public (Campbell and Pedersen 2014).

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<sup>1</sup> Most U.S. think tanks are 501(c)3 non-profit organizations who are required by law to be officially non-partisan. Regardless, many are effectively partisan organizations who work only with one party or another. See Fagan (2024).

U.S. parties have no such formal party organizations but have the same advisory needs. U.S. think tanks that operate in this pseudo-formal party organization role, but are themselves privately controlled interest groups (Fagan 2024).

Rather than supporting the party's office seeking goals, they pursue their own policy goals. They often try to convince their co-partisans to solve problems on the agenda with conservative or liberal policy ideas. For example, CAP convinced the Obama Administration to devote a significant portion of the 2009 stimulus bill toward clean energy subsidies (Fagan 2024). They claimed that Democrats could have their cake and eat it too by stimulating the economy by creating millions of green jobs (Podesta 2008). While the subsidies were successful at jump-starting the American renewable energy and electric car industries, they likely had little short-term impact on economic growth or employment (Lim, Tang, and Bowen 2021) and thus likely cost Democrats in the 2010 elections.

Conservative think tanks have become particularly potent vectors for misinformation (Fagan 2024).<sup>2</sup> Opposition to non-partisan expertise has been a core function at most conservative think tanks since the 1970s (Fagan 2024). Scholars find conservative think tanks as the primary source of conservative misinformation on issues ranging from climate change (Dunlap and Jacques 2013; Jacques, Dunlap, and Freeman 2008) to fiscal policy (Jones and Williams 2008) to cash welfare (Fagan 2024). They subsidize and support research that supports conservative-minded policy goals regardless of its credibility.

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<sup>2</sup> There is quite a lot of variation in the quality of policy information coming from ideological or partisan think tanks. Think tanks like the American Enterprise Institute, Niskanen Center, New America, Center on Budget and Policy Priorities and R Street Institute tend to produce analysis that more closely tracks with the predictions of non-partisan experts. Think tanks like the Heritage Foundation, Tax Foundation, Economic Policy Institute, Center for American Progress and Heartland Institute tend to produce information that diverges from non-partisan analysis.

With the notable exception of the 2006-2009 debates over climate change,<sup>3</sup> partisan think tanks tend to target policy solutions rather than problem severity (Fagan 2024). Partisan think tanks rarely can reach a broad enough audience of normal voters to reduce issue salience. Instead, they try to use their close relationship with policymakers to impact the solution phase of the policy process on their core issues (Fagan 2021).

For example, Table 1 compares policy analyses on the cost of the Affordable Care and Patient Protection Act (ACA) of 2010. Four partisan think tanks, the Congressional Budget Office (CBO) and the RAND Corporation all produced estimates of the bills cost. RAND and the CBO all estimated that the law would decrease the federal deficit modestly over the 10-year budget window. CAP estimated that ACA's cost-savings measures would save about \$400 billion more over the 10-year period, while Heritage estimated that the bill's costs were underestimated by about \$500 billion. The American Enterprise Institute and the Center on Budget and Policy Priorities, in contrast, used the CBO's estimates.

| Table 1: Analyses of the Impact of the Affordable Care Act on the Deficit |                                            |                |
|---------------------------------------------------------------------------|--------------------------------------------|----------------|
|                                                                           | Organization                               | Deficit        |
| <i>Democratic</i>                                                         | Center for American Progress               | \$-505 billion |
|                                                                           | Center on Budget and Policy Priorities     | \$-124 billion |
| <i>Non-Partisan</i>                                                       | Congressional Budget Office                | \$-124 billion |
|                                                                           | RAND Corporation <sup>2</sup>              | \$-32 billion  |
| <i>Republican</i>                                                         | Heritage Foundation                        | \$400 billion  |
|                                                                           | American Enterprise Institute <sup>3</sup> | \$-124 billion |

Table recreated from Fagan (2024).

These figures clouded any debate over the merits of the ACA. If all lawmakers accepted the non-partisan estimates of the CBO or Rand Corporation as authoritative, the debate over the

<sup>3</sup> Heritage, the Cato Institute and the Heartland Institute were leaders in convincing Republicans to deny climate change. One study found that nearly all books that questioned the science around climate change were written by authors with an affiliation at a conservative think tank (Dunlap and Jacques 2013).

ACA would have come down to weighing the costs and benefits of the legislation. Indeed, the Center on Budget and Policy Priorities and American Enterprise Institute did just that, publishing reports that accepted the CBO's estimates while making arguments for and against the bill based on normative principles. However, CAP and Heritage's estimates muddled the picture, allowing opposite partisans to simultaneously argue that the bill would dramatically reduce or explode the deficit. Two opposing lawmakers that both genuinely care about solving the problem of long-run deficits could, in good faith, argue that the other's position was bad for America.

While partisan think tanks are far from the only actors actively muddling policy debates in Washington, they may be the most effective. They can help actualize ideological policy preferences in a way that op-ed writers, television personalities or ideological seminar series cannot. To a well-meaning generalist like a rank-and-file member of Congress, they can seem credible, especially when their conclusions confirm their biases (Furnas et al. 2023). Partisan think tank reports look like credible research, complete with slick graphics, citations, footnotes and well-credentialed authors. Policymakers, who are themselves partisans, are inclined to believe them. Non-partisan experts have a tough task when they must compete against confirmation bias.

The consequence of America's proliferation of partisan think tanks is not just increased polarization (Fagan 2022), but an unhealthy polarization. Parties that disagree on values or represent constituencies with diverse interests can find common ground. Parties that disagree on their basic beliefs about how public policy works will struggle to. Many partisan think tanks feed the latter type of disagreements, corrupting vital policy debates that are central to decision-making in a democracy.

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