democracy
A system of selecting policymakers and of organizing government so that policy represents and responds to the public's preferences.

that effectively addresses their interests, problems, and concerns; clearly, a new law, executive order, bureaucratic regulation, or court judgment doesn't mean much if it doesn't work. Environmentalists want an industrial emissions policy that not only claims to prevent air pollution but also does so. Minority groups want a civil rights policy that not only promises them equal treatment but also ensures it.

Having a policy implies having a goal. Whether we want to reduce poverty, cut crime, clean the water, or hold down inflation, we have a goal in mind. Policy impact analysts ask how well a policy achieves its goal—and at what cost. The analysis of policy impacts carries the policymaking system back to its point of origin: the interests, problems, and concerns of the people. Translating people's desires into effective public policy is crucial to the workings of democracy.

Democracy in America

1.4 Identify the key principles of democracy and outline theories regarding how it works in practice and the challenges democracy faces today.

Democracy is a system of selecting policymakers and of organizing government so that policy reflects citizens' preferences. Today, the term *democracy* takes its place among terms like *freedom, justice,* and *peace* as a word that seemingly has only positive connotations; surveys around the world routinely show that most people in most democracies believe that democracy is the best form of government. Yet the writers of the U.S. Constitution had no fondness for democracy, as many of them doubted the ability of ordinary Americans to make informed judgments about what government should do. Roger Sherman, a delegate to the Constitutional Convention, said, "The people should have as little to do as may be about the government." Only much later did Americans come to cherish democracy and believe that all citizens should actively participate in choosing their leaders.

Most Americans would probably say that democracy is "government by the people." These words are, of course, part of the famous phrase by which Abraham Lincoln defined democracy in his Gettysburg Address: "government of the people, by the people, and for the people." The extent to which each of these three aspects of democracy holds true is a matter crucial to evaluating how well our government is working. Certainly, government has always been "of the people" in the United States, for the Constitution forbids the granting of titles of nobility—a status of privilege within the government, usually passed down from generation to generation. On the other hand, it is a physical impossibility for government to be "by the people" in a nation of over 300 million people. Therefore, our democracy involves choosing people from among our midst to govern. Where the serious debate begins is whether political leaders govern "for the people," as there always are significant biases in how the system works. Democratic theorists have elaborated a set of goals to use in evaluating this crucial question.

Traditional Democratic Theory

Traditional democratic theory rests on a number of key principles that specify how governmental decisions are made in a democracy. Robert Dahl, one of America's leading theorists, suggests that an ideal democratic process should satisfy the following five criteria:

- ***Equality in voting.*** The principle of "one person, one vote" is basic to democracy. No one's vote should count more than anyone else's.
- ***Effective participation.*** Citizens must have adequate and equal opportunities to express their preferences throughout the decision-making process.
- ***Enlightened understanding.*** A democratic society must be a marketplace of ideas. A free press and free speech are essential to civic understanding. If one group monopolizes and distorts information, citizens cannot truly understand issues.
- ***Citizen control of the agenda.*** Citizens should have the collective right to control the government's policy agenda. If particular groups, such as the wealthy, have influence far exceeding what would be expected based on their numbers, then the agenda will be distorted—the government will not be addressing the issues that the public as a whole feels are most important.
- ***Inclusion.*** The government must include, and extend rights to, all those subject to its laws. Citizenship must be open to all within a nation if the nation is to call itself democratic.[13]

Ideally, only if it satisfies these criteria can a political system be called democratic. Furthermore, democracies must practice **majority rule**, meaning that policies made should reflect the will of over half the voters. At the same time, most Americans would not want to give the majority free rein to do anything they can agree on. Restraints on the majority are built into the American system of government in order to protect the minority. Thus, the majority cannot infringe on **minority rights**; freedom of assembly, freedom of speech, and so on are freedoms for those in a minority as well as the majority. In a society too large to make its decisions in open meetings, a few must look after the concerns of the many. The relationship between the few leaders and the many citizens is one of **representation**. The literal meaning of representation is to "make present once again." In politics, this means that the desires of the people should be replicated in government through the choices of elected officials. The closer the correspondence between representatives and their constituents, the closer the approximation to an ideal democracy. As might be expected for such a crucial question, theorists disagree widely about the extent to which this actually occurs in America.

majority rule
A fundamental principle of traditional democratic theory. In a democracy, choosing among alternatives requires that the majority's desire be respected.

minority rights
A principle of traditional democratic theory that guarantees rights to those who do not belong to majorities.

representation
A basic principle of traditional democratic theory that describes the relationship between the few leaders and the many followers.

pluralism
A theory of American democracy emphasizing that the policymaking process is very open to the participation of all groups with shared interests, with no single group usually dominating. Pluralists tend to believe that as a result, public interest generally prevails.

Three Contemporary Theories of American Democracy

Theories of American democracy are essentially theories about who has power and influence. All, in one way or another, ask the question, "Who really governs in our nation?" Each focuses on a key aspect of politics and government, and each reaches a somewhat different conclusion about the state of American democracy.

PLURALISM One important theory of American democracy, **pluralism**, states that groups with shared interests influence public policy by pressing their concerns through organized efforts. The National Rifle Association (NRA), the National Organization for Women (NOW), and the American Council on Education (ACE) are contemporary examples of such interest groups.

According to pluralist theory, because of open access to various institutions of government and public officials, organized groups can compete with one another for control over policy and no one group or set of groups dominates. Given that power is dispersed in the American form of government, groups that lose in one arena can take their case to another. For example, civil rights groups faced congressional roadblocks in the 1950s but were able to win the action they were seeking from the courts.

Pluralists are generally optimistic that the public interest will eventually prevail in the making of public policy through a complex process of bargaining and compromise. They believe that, rather than speaking of majority rule, we should speak of groups of minorities working together. Robert Dahl expresses this view well when he writes that in America "all active and legitimate groups in the population can make themselves heard at some crucial stage in the process."[14]

Group politics is certainly as American as apple pie. Writing in the 1830s, Alexis de Tocqueville called us a "nation of joiners" and pointed to the high level of associational activities as one of the crucial reasons for the success of American democracy.

elitism
A theory of American democracy contending that an upper-class elite holds the power and makes policy, regardless of the formal governmental organization.

The recent explosion of interest group activity can therefore be seen as a very positive development from the perspective of pluralist theory. Interest groups and their lobbyists—the groups' representatives in Washington—have become masters of the technology of politics. Computers, mass mailing lists, sophisticated media advertising, and hard-sell techniques are their stock-in-trade. As a result, some observers believe that Dahl's pluralist vision of all groups as being heard through the American political process is more true now than ever before.

On the other hand, Robert Putnam argues that many of the problems of American democracy today stem from a decline in group-based participation.[15] Putnam theorizes that advanced technology, particularly television, has served to increasingly isolate Americans from one another. He shows that membership in a variety of civic associations, such as parent–teacher associations, the League of Women Voters, and the Elks, Shriners, and Jaycees, has been declining for decades. Interestingly, Putnam does not interpret the decline of participation in civic groups as meaning that people have become "couch potatoes." Rather, he argues that Americans' activities are becoming less tied to institutions and more self-defined. The most famous example he gives to illustrate this trend is the fact that membership in bowling leagues has dropped sharply at the same time that more people are bowling—indicating that more and more people must be bowling alone. Putnam believes that participation in interest groups today is often like bowling alone. Groups that have mushroomed lately, such as the AARP, typically just ask their members to participate by writing a check from the comfort of their own home. If people are indeed participating in politics alone rather than in groups, then pluralist theory is becoming less descriptive of American politics today.

ELITISM Critics of pluralism believe that it paints too rosy a picture of American political life. By arguing that almost every group can get a piece of the pie, they say, pluralists miss the larger question of how the pie is distributed. The poor may get their food stamps, but businesses get massive tax deductions worth far more. Some governmental programs may help minorities, but the income gap between whites and blacks remains wide.

Elitism contends that our society, like all societies, is divided along class lines and that an upper-class elite pulls the strings of government. Wealth—the holding of assets such as property, stocks, and bonds—is the basis of this power. Over a third of the nation's wealth is currently held by just 1 percent of the population. Elite and class theorists believe that this 1 percent of Americans controls most policy decisions because they can afford to finance election campaigns and control key institutions, such as large corporations. According to elite and class theory, a few powerful Americans do not merely influence policymakers—they *are* the policymakers.

At the center of all theories of elite dominance is big business, whose dominance may have grown in recent decades. Thus, political scientists Jacob Hacker and Paul Pierson write that "America's political market no longer looks like the effectively functioning market that economics textbooks laud. Rather, it increasingly resembles the sort of market that gave us the Enron scandal, in which corporate bigwigs with privileged information got rich at the expense of ordinary shareholders, workers, and consumers."[16] With the increasing dominance of big business, elite theorists point out that income and wealth have become more concentrated. After the government bailout of large financial firms in 2008, public resentment about this concentration of income and wealth escalated notably. Recently, the "Occupy Wall Street" movement emerged to visibly protest the rising disparities. Its slogan "We are the 99 percent" referred to the vast concentration of wealth among the top 1 percent of income earners, among them Wall Street executives.

The most extreme proponents of elite theory maintain that who holds office in Washington is of marginal consequence; the corporate giants always have the power. Clearly, most people in politics would disagree with this view, noting that, for example, it made a difference that Bush was elected in 2000 rather than Gore. According to Gore's promises in 2000, the wealthiest Americans would have received no tax cuts had he become president; under President Bush, all taxpayers, including the wealthiest Americans, saw their taxes cut.

HYPERPLURALISM A third theory, **hyperpluralism**, offers a different critique of pluralism. Hyperpluralism is pluralism gone sour. In this view, the many competing groups are so strong that government is weakened, as the influence of so many groups cripples government's ability to make policy. The problem is not that a few groups excessively influence government action but that many groups together render government unable to act.

hyperpluralism
A theory of American democracy contending that groups are so strong that government, which gives in to the many different groups, is thereby weakened.

Whereas pluralism maintains that input from groups is a good thing for the political decision-making process, hyperpluralist theory asserts that there are *too* many ways for groups to control policy. Our fragmented political system made up of governments with overlapping jurisdictions is one major factor that contributes to hyperpluralism. Too many governments can make it hard to coordinate policy implementation. Any policy requiring the cooperation of the national, state, and local levels of government can be hampered by the reluctance of any one of them. Furthermore, groups use the fragmented system to their advantage. As groups that lose policymaking battles in Congress increasingly carry the battle to the courts, the number of cases brought to state and federal courts has soared. Ecologists use legal procedures to delay construction projects they feel will damage the environment, businesses take federal agencies to court to fight the implementation of regulations that will cost them money, labor unions go to court to secure injunctions against policies they fear will cost them jobs, and civil liberties groups go to court to defend the rights of people who are under investigation for possible terrorist activities. The courts have become one more battleground in which policies can be effectively opposed as each group tries to bend policy to suit its own purposes.

Hyperpluralist theory holds that government gives in to every conceivable interest and single-issue group. Groups have become sovereign, and government is merely their servant. When politicians try to placate every group, the result is confusing, contradictory, and muddled policy—if the politicians manage to make policy at all. Like elite and class theorists, hyperpluralist theorists suggest that the public interest is rarely translated into public policy.

Challenges to Democracy

Regardless of which theory is most convincing, there are a number of continuing challenges to democracy. Many of these challenges apply to American democracy as well as to other democracies around the world.

INCREASED COMPLEXITY OF ISSUES Traditional democratic theory holds that ordinary citizens have the good sense to reach political judgments and that government has the capacity to act on those judgments. Today, however, we live in a society with complex issues and experts whose technical knowledge of those issues vastly exceeds the knowledge of the general population. What, after all, does the average citizen—however conscientious—know about eligibility criteria for welfare, agricultural price supports, foreign competition, and the hundreds of other issues that confront government each year? Even the most rigorous democratic theory does not demand that citizens be experts on everything, but as human knowledge has expanded, it has become increasingly difficult for individual citizens to make well-informed decisions.

LIMITED PARTICIPATION IN GOVERNMENT When citizens do not seem to take their citizenship seriously, democracy's defenders worry. There is plenty of evidence that Americans know relatively little about who their leaders are, much less about their policy decisions. Furthermore, Americans do not take full advantage of

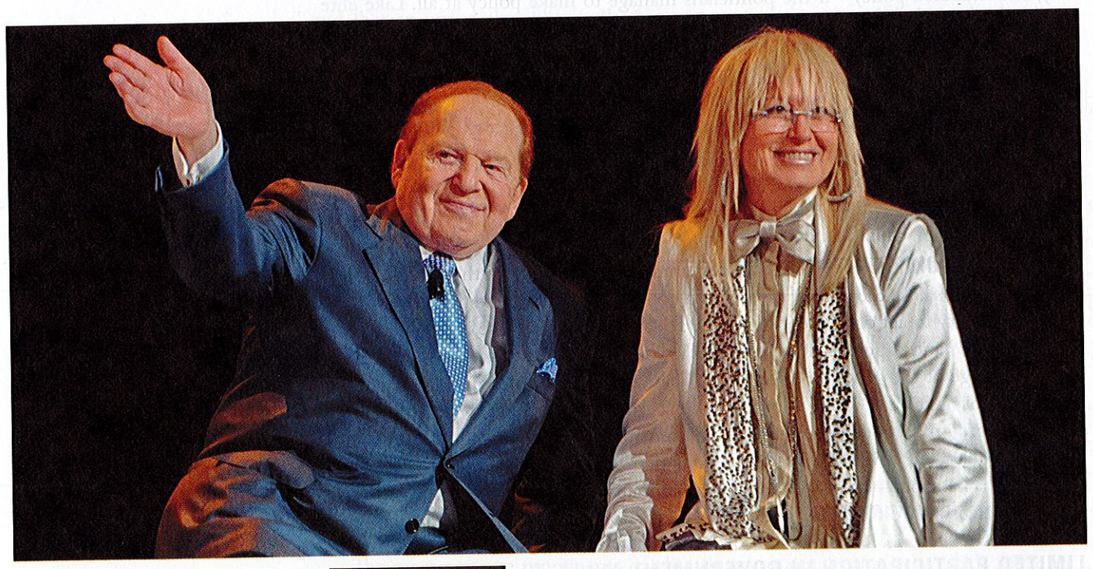
policy gridlock
A condition that occurs when interests conflict and no coalition is strong enough to form a majority and establish policy, so nothing gets done.

their opportunities to shape government or select its leaders. Limited participation in government challenges the foundation of democracy. In particular, because young people represent the country's future, their low voting turnout rates point to an even more serious challenge to democracy on the horizon.

ESCALATING CAMPAIGN COSTS Many political observers worry about the close connection between money and politics, especially in congressional elections. Winning a House seat these days usually requires a campaign war chest of *at least* a million dollars, and Senate races are even more costly. Congressional candidates have become increasingly dependent on political action committees (PACs) to fund their campaigns because of the escalation of campaign costs. These PACs often represent specific economic interests, and they care little about how members of Congress vote on most issues—just the issues that particularly affect them. Critics charge that when it comes to the issues PACs care about, the members of Congress listen, lest they be denied the money they need for their reelection. When democracy confronts the might of money, the gap between democratic theory and reality widens further.

DIVERSE POLITICAL INTERESTS The diversity of the American people is reflected in the diversity of interests represented in the political system. As will be shown in this book, this system is so open that interests find it easy to gain access to policymakers. When interests conflict, which they often do, no coalition may be strong enough to form a majority and establish policy. But each interest may use its influence to thwart those whose policy proposals they oppose. In effect, they have a veto over policy, creating what is often referred to as **policy gridlock**. In a big city, gridlock occurs when there are so many cars on the road that no one can move; in politics, it occurs when each policy coalition finds its way blocked by others.

Democracy is not necessarily an end in itself. For many, evaluations of democracy depend on what democratic government produces. Thus, a major challenge to democracy in America is to overcome the diversity of interests and fragmentation of power in order to deliver policies that are responsive to citizens' needs.



The influence of the wealthy on politics drew increased public attention in 2012, as billionaires like Sheldon and Miriam Adelson (shown here) made multimillion-dollar contributions to Super PACs that supported particular presidential candidates. With their net worth of over $25 billion, the Adelsons' announced intention of spending $100 million on the presidential campaign was equivalent to the average family with a net worth of $77,000 committing to spend $308.

American Political Culture and Democracy

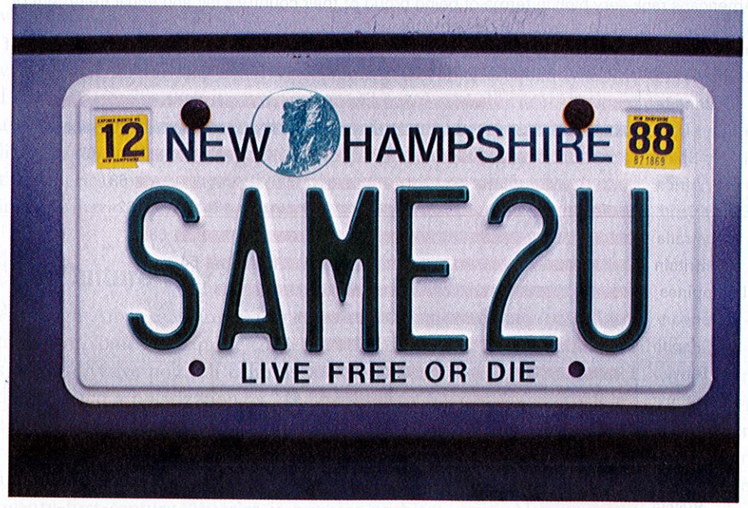
political culture
An overall set of values widely shared within a society.

The key factor that holds American democracy together, in the view of many scholars, is its **political culture**—the overall set of values widely shared within American society. As Ronald Inglehart and Christian Welzel argue in their book on cultural change and democracy, "Democracy is not simply the result of clever elite bargaining and constitutional engineering. It depends on deep-rooted orientations among the people themselves. These orientations motivate them to demand freedom and responsive government. . . . Genuine democracy is not simply a machine that, once set up, functions by itself. It depends on the people."[17]

Because Americans are so diverse in terms of ancestry, religion, and heritage, the political culture of the United States is especially crucial to understanding its government. What unites Americans more than anything else is a set of shared beliefs and values. As G. K. Chesterton, the noted British observer of American politics, wrote in 1922, "America is the only nation in the world that is founded on a creed. That creed is set forth with dogmatic and even theological lucidity in the Declaration of Independence."[18] Arguing along the same lines, Seymour Martin Lipset writes that "the United States is a country organized around an ideology which includes a set of dogmas about the nature of good society."[19] Lipset argues that the American creed can be summarized by five elements: liberty, egalitarianism, individualism, laissez-faire, and populism.[20]

LIBERTY One of the most famous statements of the American Revolution was Patrick Henry's "Give me liberty or give me death." During the Cold War, a common bumper sticker was "Better Dead Than Red," reflecting many Americans' view that they would prefer to fight to the bitter end than submit to the oppression of communist rule. To this day, New Hampshire's official state motto is "Live Free or Die." When immigrants are asked why they came to America, by far the most common response is to live in freedom.

Freedom of speech and religion are fundamental to the American way of life. In the Declaration of Independence, Thomas Jefferson placed liberty right along with life and the pursuit of happiness as an "unalienable right" (that is, a right not awarded by human power, not transferable to another power, and not revocable).



One of the fundamental values that most Americans cherish is that of liberty. The state of New Hampshire has even gone so far to place a slogan to this effect on all the automobile license plates in the state.

EGALITARIANISM The most famous phrase in the history of democracy is the Declaration of Independence's statement "We hold these truths to be self-evident, that all men are created equal. . . ." As the French observer Alexis de Tocqueville noted long ago, egalitarianism in the United States involves equality of opportunity and respect in the absence of a monarchy and aristocracy. Americans have never been equal in terms of condition. What is most critical to this part of the American creed is that everyone have a chance to succeed in life.

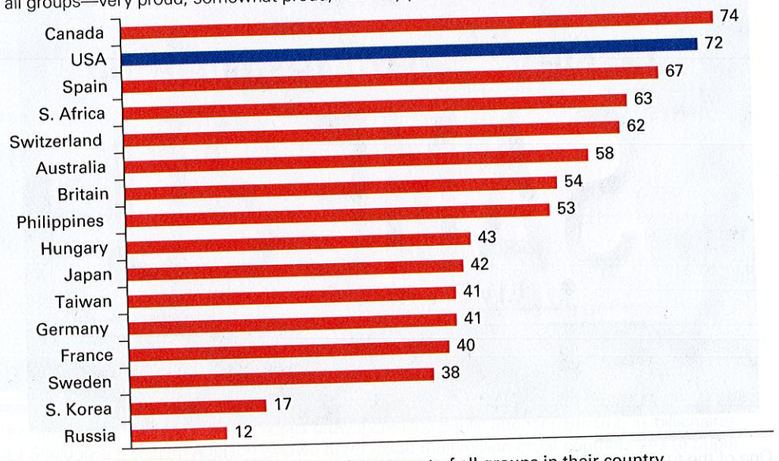
Tocqueville accurately foresaw that the social equality he observed in American life in the 1830s would eventually lead to political equality. Although relatively few Americans then had the right to vote, he predicted that all Americans would be given this right because, in order to guarantee equality of opportunity, everyone must have an equal chance to participate in democratic governance. Thus, another key aspect of egalitarianism is equal voting rights for all adult American citizens.

The ideal of egalitarianism extends also to equality of opportunity for members of all groups. In a recent survey, about three out of four Americans said they were proud of the fair and equal treatment of all groups in the United States. As you can see in Figure 1.5, this level of pride in the country's egalitarianism is extremely high compared to that in other democracies.

INDIVIDUALISM One of the aspects of American political culture that has shaped the development of American democracy has been individualism—the belief that people can and should get ahead on their own. The immigrants who founded American society may have been diverse, but many shared a common dream of America as a place where one could make it on one's own without interference from government. Louis Hartz's *The Liberal Tradition in America* is a classic analysis of the dominant political beliefs during America's formative years. Hartz argues that the major force behind limited government in America is that it was settled by people who fled from the feudal and clerical oppressions of the Old World. Once in the New World, they wanted little from government other than for it to leave them alone.[21]

FIGURE 1.5 PRIDE IN EQUAL TREATMENT OF GROUPS IN THE UNITED STATES AND OTHER ESTABLISHED DEMOCRACIES

Americans rank very high in terms of being proud of their country's fair and equal treatment of all groups. This figure shows the percentages who said "very proud" or "somewhat proud" in response to the question, "How proud are you of [country] in . . . its fair and equal treatment of all groups—very proud, somewhat proud, not very proud, not proud at all?"



SOURCE: Authors' analysis of 2003 International Social Survey Program surveys.

Another explanation for American individualism is the existence of a bountiful frontier, at least up until the start of the twentieth century. Not only did many people come to America to escape from governmental interference, but the frontier allowed them to get away from government almost entirely once they arrived. Frederick Jackson Turner's famous work on the significance of the frontier in American history argues that "the frontier is productive of individualism."[22] According to Turner, being in the wilderness and having to survive on one's own left settlers with an aversion to any control from the outside world—particularly from the government.

LAISSEZ-FAIRE An important result of American individualism has been a clear tendency to prefer laissez-faire economic policies, which promote free markets and limited government. As John Kingdon writes in his book *America the Unusual,* "Government in the United States is much more limited and much smaller than government in virtually every other advanced industrialized country on earth."[23] Compared to most other economically developed nations, the United States devotes a smaller percentage of its resources to government. Americans have a lighter tax burden than citizens of other democratic nations.

Further, all of the other advanced industrial democracies have long had a system of national health insurance that guarantees care to all their citizens; it wasn't until 2014 that the United States implemented a system to guarantee most Americans health insurance via the Patient Protection and Affordable Care Act that President Obama signed into law. In other countries, national governments have taken it on themselves to start up airline, telephone, and communications companies. Governments have built much housing in most Western nations, compared to only a small fraction of the housing in America. Thus, in terms of its impact on citizens' everyday lives, government in the United States actually does less than the governments of these other democracies.

POPULISM Abraham Lincoln summarized American democracy as "government of the people, for the people, and by the people." Such an emphasis on *the people* is at the heart of populism, which can best be defined as a political philosophy supporting the rights of average citizens in their struggle against privileged elites. As Lipset writes, American populist thought holds that the people at large "are possessed of some kind of sacred mystique, and proximity to them endows the politician with esteem—and with legitimacy."[24]

In America, being on the side of the ordinary people against big interests is so valued that liberal and conservative politicians alike frequently claim this mantle. Liberals are inclined to argue that they will stand up to big multinational corporations and protect the interests of ordinary Americans. Conservatives, on the other hand, are likely to repeat Ronald Reagan's famous promise to get big government off the backs of the American people. A populist pledge to "put the people first" is always a safe strategy in the American political culture.

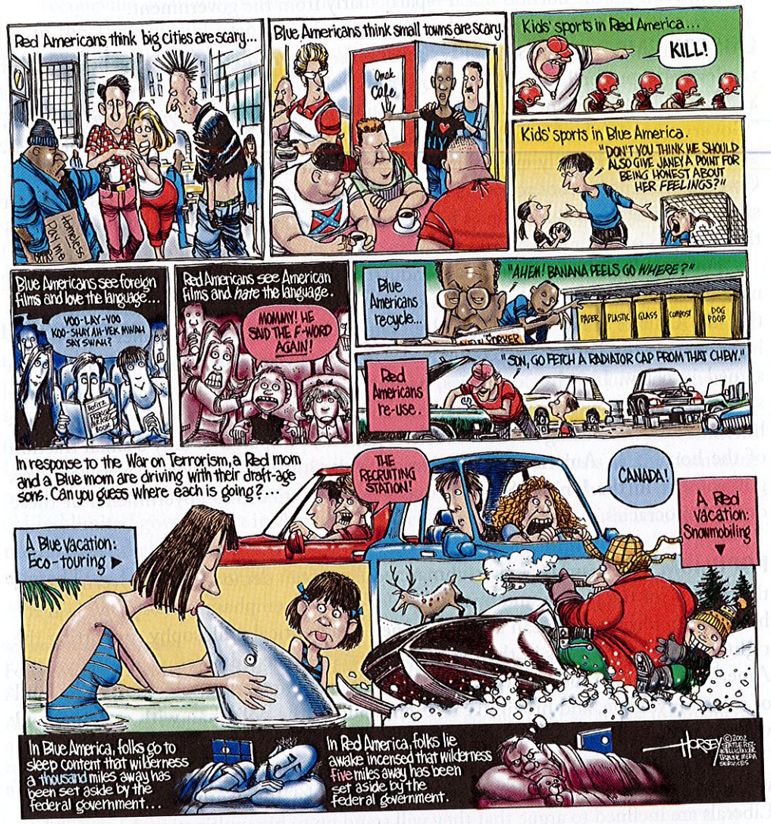
A Culture War?

Although Americans are widely supportive of cultural values like liberty and egalitarianism, some scholars are concerned that a sharp polarization into rival liberal versus conservative political cultures has taken place in recent years. James Q. Wilson defines such a polarization as "an intense commitment to a candidate, a culture, or an ideology that sets people in one group definitively apart from people in another, rival group."[25] Wilson maintains that America is a more polarized nation today than at any time in living memory. He argues that the intensity of political divisions in twenty-first-century America is a major problem, writing that "a divided America encourages our enemies, disheartens our allies, and saps our resolve—potentially to fatal effect."[26]

Point to Ponder

In his first major political speech, Barack Obama proclaimed that there was no such thing as red or blue states—only the United States. For Obama, the social and political stereotypes portrayed in this Pulitzer Prize–winning cartoon are exaggerations.

What do you think—is there a cultural war going on in America?



SOURCE: David Horsey, *Seattle-Post Intelligencer*, 2002.

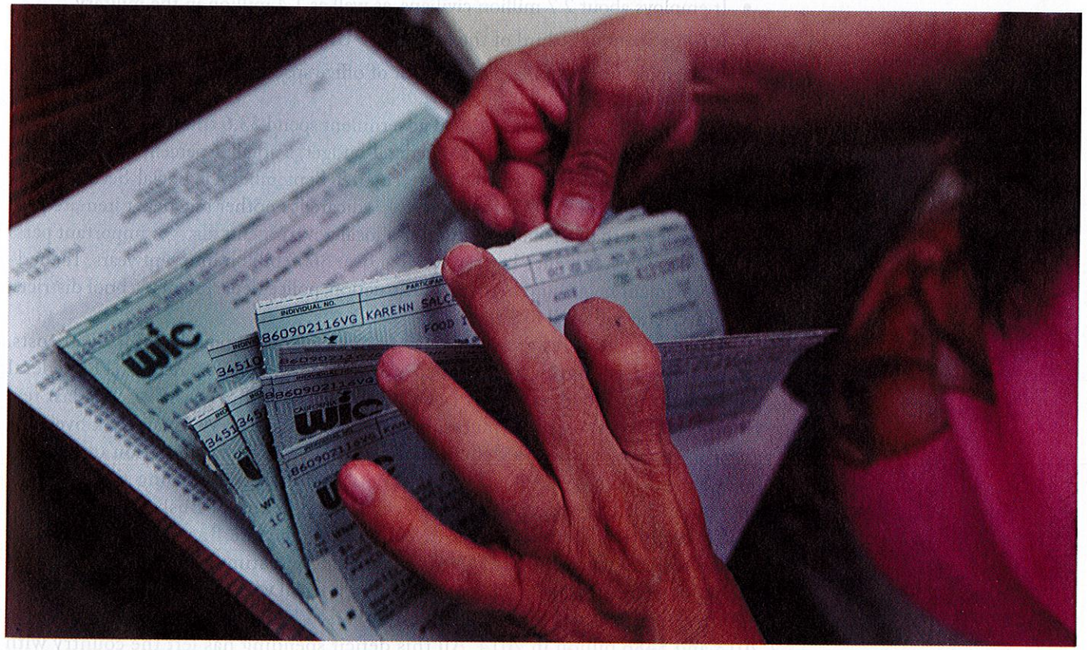
Other scholars, however, believe that there is relatively little evidence of a so-called culture war going on among ordinary American citizens. Morris Fiorina concludes, "There is little indication that voters are polarized now or that they are becoming more polarized—even when we look specifically at issues such as abortion that supposedly are touchstone issues in the culture war. If anything, public opinion has grown more centrist on such issues and more tolerant of the divergent views, values, and behavior of other Americans."[27] Wayne Baker outlines three ways in which America might be experiencing a crisis of cultural values: (1) a loss over time of traditional values, such as the importance of religion and family life; (2) an unfavorable comparison with the citizens of other countries in terms of key values such as patriotism; and (3) the division of society into opposed groups with irreconcilable moral differences. Baker tests each of these three possibilities thoroughly with recent survey data from the United States and other countries and finds little evidence of cultural division or an ongoing crisis of values in America.[28]

The Scope of Government in America

1.5 Outline the central arguments of the debate in America over the proper scope of government.

In proposing a massive $787 billion economic stimulus package to deal with the nation's economic woes in 2009, President Obama stated, "It is true that we cannot depend on government alone to create jobs or long-term growth, but at this particular moment, only government can provide the short-term boost necessary to lift us from a recession this deep and severe." In response, Republican House Leader John Boehner countered, "This bill makes clear that the era of Big Government is back, and the Democrats expect you to pay for it." He and other conservatives opposed the stimulus bill, arguing that such increases in the scope of the federal government would result in less freedom and prosperity. Had they been in the majority in 2009, they would have focused instead on tax cuts that would have had the effect of reducing the scope of government.

Those who are inclined to support an active role for government argue that its intervention is sometimes the only means of achieving important goals in American society. How else, they ask, can we ensure that people have enough to eat, clean air and water, and affordable health care? How else can we ensure that the disadvantaged



The Women, Infants, and Children (WIC) program is just one of many federal programs that provides support for individuals with low income. Here, a worker in Los Angeles organizes WIC vouchers, which currently go to about 9 million women, infants, and children under the age of 5. Supporters of such programs argue that they provide a much-needed safety net, enabling people to get by during hard times. Critics see these programs as expanding the scope of government too much and as often encouraging a dependency that actually perpetuates poverty.

gross domestic product (GDP)
The sum total of the value of all the goods and services produced in a year in a nation.

are given opportunities for education and jobs and are not discriminated against? Opponents of widening the scope of government agree that these are worthwhile goals but challenge whether involving the federal government is an effective way to pursue them. Dick Armey, who was one of the key figures in the establishment of the conservative Tea Party movement, expressed this view well when he wrote, "There is more wisdom in millions of individuals making decisions in their own self-interest than there is in even the most enlightened bureaucrat (or congressman) making decisions on their behalf."[29] Or, as Ronald Reagan argued in his farewell presidential address, "As government expands, liberty contracts."

To understand the dimensions of this debate, it is important first to get some sense of the current scope of the federal government's activities.

How Active Is American Government?

In terms of dollars spent, government in America is vast. Altogether, our governments—national, state, and local—spend about a third of our **gross domestic product (GDP)**, the total value of all goods and services produced annually by the United States. Government not only spends large sums of money but also employs large numbers of people. About 24 million Americans work for our government, mostly at the state and local level as teachers, police officers, university professors, and so on. Consider some facts about the size of our national government:

- It spends about $3.5 trillion annually (printed as a number, that's $3,500,000,000,000 a year).
- It employs about 2.7 million civilians, as well as 1.4 million in the military.
- It owns about one-third of the land in the United States.
- It occupies over 3.2 billion square feet of office space.

How does the American national government spend $3.6 trillion a year? National defense takes about one-sixth of the federal budget, a smaller percentage than it did three decades ago—even with the increase after September 11. Social Security consumes more than one-fifth of the budget. Medicare is another big-ticket item, requiring over one-tenth of the budget. State and local governments also get important parts of the federal government's budget, totaling over $600 billion in recent years. The federal government helps fund highway construction, police departments, school districts, and other state and local functions.

When expenditures grow, tax revenues must grow to pay the additional costs. When taxes do not grow as fast as spending, a budget deficit results. The federal government ran a budget deficit every year from 1969 through 1997. The last few Clinton budgets showed surpluses, but soon after George W. Bush took over, the government was running a deficit once again due to the combination of reduced taxes and of increased expenditures on national security following the events of September 11. The severe economic recession at the end of Bush's presidency led to his running up further red ink in 2008 to bail out the financial system and to Obama's doing the same in 2009 with an economic stimulus package to combat unemployment. The net result was that in each fiscal year from 2009 through 2012 the annual deficit exceeded one trillion dollars. The deficit fell to $680 billion in 2013 and $486 billion in 2014. All this deficit spending has left the country with a national debt of over $17 trillion, which will pose a problem for policymakers for decades to come.

The sheer size of federal government expenditures should hardly be surprising in light of the many issues that Americans have come to expect their government to deal with. Whatever the national problem—unemployment, terrorism, illegal immigration, energy, education, lack of access to health care—many people expect Congress and the president to work to solve it through legislation. In short, the American government is vast on any measure—whether dollars spent, persons employed, or laws passed. Our concern, however, is not so much about the absolute size of government as about whether the level of government activity is what we want it to be.