

# Government and academia as complements

by Edward Gramlich

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Both government and academic careers have an up side and a down side. The up side of government work, for a part-academic, is that the issues are immediate and significant. In the first half of my government career, in OEO's Policy Research Division, the Division was involved in the negative income tax experiment, the health insurance experiment, some education experiments, the Panel Study of Income Dynamics, some early evaluations of public employment and labor training, and other projects. In my more recent incarnation at the Congressional Budget Office, public employment, welfare reform, and the demand for health care were still alive, supplemented by many other issues in macroeconomics, environmental protection, tax reform, defense, and so forth. There is no end to the stream of significant issues, and almost no limit to the heady feeling one gets in dealing with them.

But there is a down side too: politics. Everybody realizes that politics should be important in Washington, because that is what determines who gets to keep their jobs. Even services to constituents can be defended in the Pareto sense that this is how losers get compensated in America—there may be a tax bill or a trade bill that makes the country as a whole better off, but causes losses here and there. One function of politicians is to protect those losers, by transition

rules or even explicit compensation, to avoid large losses for certain segments of the population. No argument. But the problem is that politics, constituent service, and public relations threaten to become the only concern. Like Gresham's Law, these forces drive out the good policy analysis.

One can reason symmetrically about academia. The up side of an academic career involves one's colleagues, who commit themselves to exploring ideas over the long term. Whereas politicians in Washington lead with their presence and speaking ability, academics lead with their ability to think hard and carefully about a problem. But strange as it seems, there is a down side to this, too, since academicians may not necessarily do work that is useful and relevant. As with Washington, this down side of academic life ever threatens to drive out the good policy analysis.

Despite these criticisms, both government work and academic work can be richly rewarding careers. But now to Lampman's central question: Should the long arm of the government beckon universities to do relevant research? My humble answer is yes, because each is good for the other. The presence of academia, with new Ph.D.'s joining the government every year, with advisory councils, with research conferences, with outside critics of in-house studies, and with poverty institutes, encourages growth in the policy analysis wings of government. The presence of government, with its inevitable focus on real-world problems, provides both monetary and other encouragement of real-world studies within academia. Neither side is perfect, but they complement each other and the marriage is, in effect, more than the sum of its parts. That's why my answer to Lampman's question is yes, and that is why I think the Poverty Institute has worked so well. ■