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Remarks at the Rotary Club of Beverly Hills

*Michael Rich*
I am delighted to be invited back to Rotary. I was here about twelve years ago and was starting to get a little worried about what I might have said that led to my exile.

I’ll try to do two things today. One is to tell you a bit about RAND, to remind you briefly about how and why it was founded. But instead of focusing on the past, I want to talk as well about what I believe is our main challenge looking forward: how to carry out our mission in a world in which policy debate and civic discourse are increasingly polarized. And I’ll try to leave some time for questions.

The beginning for RAND occurred at the conclusion of World War II. The Commander of the Army Air Corps, General Hap Arnold, created Project RAND to make sure that there were civilian analysts dedicated to helping the senior military leadership anticipate and tackle problems over the horizon. Douglas Aircraft Company acted as an incubator for this innovative concept, which is how RAND came to be in Santa Monica at the end of 1945. By 1948, we escaped from the nest, severed all ties to Douglas, and set up shop as an independent, nonprofit corporation just a few miles away from the Douglas plant—on the corner of 4th and Broadway.

I was asked earlier about the name: It’s not an acronym. It’s not named after a person. And, it’s doesn’t have anything to do with Rand McNally. It’s either a contraction of the phrase “research and development” or an attempt to sound out its initials, R&D.

Our very first study was also one of our most influential. It was titled “Preliminary Design of an Experimental World-Circling Spaceship”—a detailed analysis of the engineering challenges of putting a satellite into orbit and keeping it there. The report came out in May 1946, two years before RAND was incorporated—11 years before the launch of Sputnik.

Much of RAND’s early work focused on unraveling the mysteries of the Soviet Union and on devising new methods of analysis—systems analysis, dynamic and linear programming, the Delphi technique, and, as we all know from the book and movie A Beautiful Mind, about John Nash, RAND also played a crucial role in the development of game theory.

Along the way, our analysts demonstrated the utility of many new technologies and operational concepts, including

• Refueling aircraft in mid-flight
• Performing reconnaissance from space, and
• Recording images on tape instead of film.

Being headquartered in Santa Monica, we’ve had our share of brushes with Hollywood. It was a RAND scientist who designed the bridge on the original Starship Enterprise of Star Trek. Rodney Dangerfield, starring as an uneducated but successful tycoon who enrolls in college in the movie Back to School, got an A+ on a term paper. When his astonished son asked him how he managed to do that, Dangerfield’s character replied, “I hired the RAND Corporation.” Of course, in Dr. Strangelove, the cost-benefit analysis of the doomsday machine was performed by the Bland Corporation, but we knew who they were talking about.

In retrospect, perhaps the most significant technical concept emerged from a RAND study of options for maintaining communications in the event of a nuclear attack on the continental United States. Paul Baran of RAND devised a way of breaking up a message into what he called message blocks, sending those blocks on random paths through a network of connected nodes, and reassembling the blocks at the intended destination. He designed the system to be robust enough that if a node were destroyed, the block would reroute itself and still reach its destination. Those message blocks were later renamed “packets,” and the technique, known as packet switching, became the cornerstone of the Internet.

We’re still best known for our work on geopolitics, defense strategy, and military operations. That’s not surprising, since past RAND studies contained the first detailed analyses of

• Serious fault lines in the Warsaw Pact
• The crushing financial burdens of the Soviet empire
• The growing incidence of religious-motivated terrorism
• The pros and cons of NATO expansion, and
• The dangers of the Taliban regime in Afghanistan.

But for more than 40 years, about half of our research activity has focused on social policies in the United States and, more recently, overseas—health care, energy, education, the environment, crime, drug abuse, civil justice, aging, and transportation.

I heard several of you refer to RAND as a think tank. Fair enough. We’re generally referred to as the original think tank. I don’t much like the term anymore. That’s because lots of organizations calling themselves think tanks today don’t resemble RAND at all. Most of them start with and then advance a particular
ideology or partisan perspective. We don’t think that’s the right starting point for sound public policymaking. Whatever the topic, we believe that policymakers should start with rigorous, objective, nonpartisan facts and analysis. So, if RAND has an ideology, that’s it.

No matter where you are on the political spectrum, there’s a good chance that you think that the country needs innovative policies to deal with the range of problems we face as a nation. But introducing successful new policies is harder than it should be, harder than it looks, and harder than it used to be. Let me tell you why I think all this is so.

Why is it such an uphill battle to get sound ideas adopted? Why is it so difficult to make progress on important policy problems? Whether it’s our ideas for improving security at LAX or ensuring the success of an independent Palestinian state, some of RAND’s most compelling ideas never make it, at least not initially.

Let me offer ten reasons—at least for starters.

First, some problems are really hard, even when there is general agreement on broad objectives:

- Preventing al Qaeda from acquiring a nuclear weapon
- Assuring that the rise of China is a peaceful one
- Eliminating violence in schools
- Ending the use of cocaine.

For these kinds of problems, there’s no obvious or easy solution. An institution like RAND simply mounts a sustained analytical attack spanning a generation or more, decomposing the problem, analyzing its parts, testing new policies in the policymaking arena.

Second, for some problems, of course, there isn’t actually agreement on the objective. That makes problem-solving even harder. For example,

- Do we aim to improve health care for everyone?
- Or simply reduce disparities in care among different groups: young and old, rich and poor, urban and rural, men and women, black and white?
- Or, do both at the same time?
- Or, do both while slowing the overall cost of the system?
Four different objectives, each calling for different policy prescriptions, each with different proponents. It’s very difficult to make progress with ideas while differences about objectives remain.

Third, for some problems, we can’t yet reliably measure what we need to measure to make sound judgments about bold ideas. Two examples that RAND has worked on for decades: How do you know how large the defense budget should be if you can’t measure military readiness? How do you know whether a health-care reform proposal is a good idea without objective measures of the quality of care? Our collective abilities to measure readiness and quality of care, while much better than they were even a decade ago, are still pretty crude.

Fourth, for some problems, government in the United States is not set up to take a holistic approach and make the right trade-offs. Consider the many problems we face that are amenable to prevention as well as remediation: criminal behavior and drug abuse, for instance. The best policy response would involve a combination: well-coordinated programs that deal with existing criminals and drug users, on the one hand, along with programs that help assure that people do not turn to a life of crime or illicit drug use in the future, on the other hand. But, responsibility and authority for those two kinds of initiatives—catching illicit drug users and preventing future drug use—are almost never lodged in the same governmental department. This means that either there is no coordination at all or there is a so-called “strategy” that has been incrementally fashioned out of political bargaining and budgetary horse-trading.

Fifth, to make matters even more complicated, today, more societal problems involve all levels of government and even sometimes the private sector—homeland security being a prime example. In such cases, it’s even harder to advance, discuss, adopt, and implement a holistic set of policies. In a nutshell, the pieces of a problem often seem to have special interests, but the whole problem rarely does.

Sixth, some ideas are thwarted by the short time horizon of government officials. This is true of both Democrats and Republicans, the executive branch and the legislative branch, and government at all levels. I’ve seen it time and again. Difficult policy problems generally require a sustained commitment to follow a chosen course of action, monitor effectiveness, and fine-tune the strategy. Doing that over ten years requires doing it with five Congresses and possibly three presidential administrations. Moreover, it’s notoriously difficult to succeed with any policy that increases costs in the short run in order to generate bigger payoffs later. A few years ago, some senators tried to block an effort by the Air Force to issue a three-year production contract for its new air superiority fighter. It took a
RAND study to show that such an approach would save nearly $500 million to break the logjam.

Closely related to that point is the disappearance of large-scale social experiments as the foundation for policymaking. You may be surprised that it was the Nixon Administration that gave the green light to a set of innovative social policy experiments with which RAND was heavily involved, including housing vouchers, school vouchers, and new forms of health insurance. These were big and carefully done—and very costly. But they provided an unmatched basis for policy innovation and adoption. This approach has essentially disappeared, except from the military. I always remind policymakers that experimentation—trying different policies in different settings and carefully comparing how they work—is sometimes a good path to sound policymaking.

Eighth is what I’ll call the “I” factor. “I” stands for inertia. Sometimes the most obvious ideas are thwarted by what can best be described as bureaucratic inertia. Example: There are many vulnerabilities at LAX. Some are large and some are small. Some are easy to fix, some are hard to fix. You’d think that large vulnerabilities that are easy to fix would be fixed. But, what appears to be easy is often not simple. One of the biggest vulnerabilities at any airport is large crowds around unscreened luggage, as RAND pointed out six or seven years ago. We showed that it’s also one of the easiest and cheapest vulnerabilities to fix. Think about the sidewalk outside Terminal One, which is usually teeming with people waiting to have their baggage checked and screened. Why does a situation like that persist? I can’t think of a sensible reason, so I attribute it to the “I” factor.

I’m down to my last two.

When I started my career at RAND, it was not uncommon for a policy debate to be centered on a piece of high-quality, objective analysis. That study often came from RAND. There may have been a heated debate, but it was one based on a common view of the facts. That is exceedingly rare today. When he was alive, Congressman Julian Dixon, a liberal Democrat, would often visit RAND along with his House Appropriations Committee colleague, Congressman Jerry Lewis, a Republican who later chaired the committee. They came together. They often drew different interpretations, but they had a common view of the facts and great respect for each other’s views.

The president of RAND, Jim Thomson, likes to say that today’s debates too often boil down to opinions about opinions. He’s right. And, it doesn’t make for good policymaking, especially when our policymakers are increasingly polarized.
The increasing polarization of public discourse and decisionmaking in America has been talked about and sensed for a long time. Jim published a paper earlier this year that, not surprisingly, explores the phenomenon analytically. He shows that ideological preferences have become increasingly correlated with party identification, especially among people who are politically active. Both parties used to have people who identify themselves as “consistently conservative,” but those people are now solidly lined up behind the Republican banner. Similarly, the Democratic Party is now home to almost everyone calling themselves “consistently liberal.”

Moreover, the two major parties are each becoming less demographically diverse and they are becoming more and more demographically distinct from each other. So, for example: High income is increasingly associated with identifying one’s self as a Republican. More and more African-Americans are identifying themselves as Democrats.

These trends are changing voting patterns in both the House and Senate. As recently in the 1970s, it was not unusual to have Democrats that were more conservative than some Republicans and Republicans who were more liberal than some Democrats. Not so today. The most conservative Democrats become Republicans and the most liberal Republicans become Democrats. Today, the most conservative Democrat is less conservative than the least conservative Republican. So—more and more party-line votes.

It’s easy to see that on recent Supreme Court justice nominations. Justice Ruth Bader Ginsberg, nominated by President Clinton in 1993, was confirmed by a vote of 96-3. Nine-three percent of the Republicans voted for her nomination. But when President George W. Bush nominated Samuel Alito, in 2005, 91 percent of Democrats voted no. Eighty-eight percent of Republicans opposed the nomination of Justice Elena Kagan earlier this year.

Congressional districts have long been either blue or red, but today the vast majority of the states are, too. That is, the number of states with senators from different parties has declined sharply. In 1972, nearly half the states—twenty-two—had one senator from each party. Today, that number is down to 15 states.

There are many explanations for these trends, but we don’t know which exact blend of them explains them best. As soon I mentioned polarization, I bet many of you thought to yourself, “Gerrymandering!” That’s no doubt part of it, but it doesn’t explain polarization in the Senate—no gerrymandering there—so it’s not all of it. Bill Bishop and Robert Cushing attribute it to what they call the “big sort,”
citizens sorting themselves and clustering around like-minded neighbors on a big scale. The advent of news broadcasts that come in ideological flavors, the emergence of “shock-radio” figures with rock-star status, the steady disappearance of network news watchers and newspaper subscribers, cable TV and the blogosphere, and so on. Whatever the causes, the effect is that interest in evidence-based policy formulation, another term for what RAND does, is scarcer and scarcer.

So, the increasing polarization in policymaking is my ninth reason that it’s getting harder for a nonpartisan and non-ideological organization like RAND.

My tenth and final point is about public service. There is no doubt in my mind that public service as a profession, as a career, has eroded, and with it the chances for sound policy innovation. In fact, Paul Volcker, a former trustee of RAND, has devoted much of his energy since leaving his position as chairman of the Federal Reserve to revitalizing public service. One of the great things about the last presidential election for me was that both candidates said that they’d make the revitalization of public service a national priority. Now that the election is behind us, I hope that President Obama delivers on that promise and I hope that Senator McCain supports him along the way.

Looking back, I think one of RAND’s greatest achievements is not a particular study or recommendation, but rather the fact that we have been able to analyze the most sensitive issues of the day, call the shots as we see them, and in the end have escaped getting a reputation for being either liberal or conservative, left-leaning or right-leaning, Republican or Democratic. We have delighted and infuriated them all by being straight shooters. You have my word that even in an era of polarization, the RAND Corporation will never give up on the basic proposition that rigorous, objective, nonpartisan analysis makes for the best policy.

Before I close, I want to invite you to learn more about RAND. I have brought some material to help you do that, along with information about how to access our research and interact with our researchers at our public events.

Thank you for inviting me back. I admire your commitment to service and I am honored to be with you.