

Energy Data and Political Polarization

The Politics of Mistrust. Estimating American Oil and Gas Resources. AARON WILDAVSKY and ELLEN TENENBAUM. Sage, Beverly Hills, Calif., 1981. 364 pp., illus. Cloth, \$22.50; paper, \$9.95.

America's continuing energy predicament has generated a stream of scholarly works analyzing various components of the energy sector and the public policies that affect it. Typically, the premise of these studies is that facts and objective analysis can make a significant contribution toward achieving political consensus about energy policy. Scholars often assert that the fragmented, inconsistent, and even pernicious bag of government actions in the 1970's was caused by the ignorance of politicians and the electorate.

Wildavsky and Tenenbaum take strong exception to this premise. Their book develops the alternative hypothesis that the energy policy debate cannot be resolved by better information and analysis. The reason, say the authors, is that American energy policy is, and has been for most of this century, a polarized political issue. Polarization occurs when political differences among the major interests are rooted in different perceptions about the purpose of policy and the values it is supposed to serve. In such a milieu, argue the authors, a given piece of information will produce conflicting policy conclusions among different groups. Moreover, because policy differences are rooted in conflicts over values, each group will mistrust information generated by others, so that even relatively unimportant variations in information will cause a largely unproductive debate about the integrity of its sources.

The Politics of Mistrust examines a century of American energy policy within this conceptual framework. Twice—during the two World Wars—there was enough consensus about the purpose of energy policy that debates over the amount of resources available and the appropriate way to regulate energy were temporarily muted. At other times, estimates of energy resources and analyses of alternative regulatory policies have been like bullets in the six-guns at the OK Corral: things aimed at the opposition, not things examined in an objective

fashion to identify a feasible range of efficient and equitable policy options. The authors' best example is the alternative interpretations that can be placed on the same estimates of domestic oil reserves. To conservationists, an estimate always is finite; hence the conclusion always is that measures must be taken to preserve the resource by cutting down on "wasteful" use. To a consumerist, excess capacity suggests deregulation to allow prices to fall, whereas excess demand implies the need for price regulation to prevent "monopoly" and "collusion" from causing wealth transfers away from consumers. To oil companies, excess supplies support the need for a price floor to prevent the loss of small firms and to keep the industry looking for more resources so that the excess supply will not become a shortfall, and excess demand means a need for deregulation so that prices will rise to induce more exploration and production.

Wildavsky and Tenenbaum present interesting information about the history of attempts to estimate American oil and gas resources for purposes of public policy-making. Most interesting are some details about why the oil and gas producers began to produce their own estimates through their trade associations and how this privately financed operation was replaced in the 1970's by a process in the Department of Energy that produces essentially the same material, but in a more costly, less timely manner at public expense.

The book contains policy conclusions, which can be summarized by the following dicta: (i) Don't spend time and money collecting and analyzing data until you can formulate the questions that the information is supposed to answer; and (ii) Don't spend a fortune refining data if the varying current estimates all support essentially the same policy conclusion. In the 1970's, say the authors, the right question was: how long do we have before we must find substitutes for oil and gas as the primary energy sources? Instead, the questions that were asked had to do with trying to use an administrative process to balance supply and demand and to decide when and where to look for new sources of energy. These questions were not answerable through

data analysis. Yet dollars kept being spent—and tempers kept being frayed—in the pursuit of ever-better analysis. Had the right question been asked, dollars and tempers could have been saved, for the variance in resource estimates, great as it was, was not sufficient to undermine the right answer to the right question: oil and gas cannot be our primary source of energy by the time we are significantly into the 21st century, but we had two or three decades to orchestrate the transition to other resources.

Because of the professional standing of the senior author, this book is likely to receive considerable attention. Aaron Wildavsky is one of America's most creative and influential political scientists. He has made major contributions to our understanding of the politics of the governmental budgetary process and to the construction of a theoretical framework for relating the outcomes of public policies to the processes that are established to implement them.

This book contains passages that anyone will find interesting: specifically, the parts that attempt to analyze the conditions under which better information can influence policy decisions in important ways and the explanations of why these conditions are rarely met in the case of energy policy. It is a good book for students, for corporate executives who do not understand why politicians, the public, and the adversaries of the industry are so suspicious about energy-related data, or for anyone who believes that the point of view of the book as expressed in this review is foolish or unimportant. But it is not a major intellectual breakthrough in understanding the role of information in the political process. Scholars and others who have been deeply involved in the energy policy debate during the past ten years will probably be put off by the polemical style of much of the book, by the rather simplistic characterizations of the major players in the energy policy game, and by the absence of a systematic research strategy to document many of the assertions and conclusions that are offered by the authors. The great scholarly work on the politics of why the United States was so inept at working its way out of its energy predicament, despite a willingness to spend billions on the effort, has still to be written; however, when it is, it will have to reference some of the ideas presented by Wildavsky and Tenenbaum.

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