Mass Attitudes Towards Public Buyouts of Vested Interest Groups

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Abstract

Political reforms are often held up by concentrated interest groups who successfully lobby to block change that would benefit the majority. One policy response is to fully compensate the recalcitrant group in exchange for agreeing to the reform. We refer to such mass compensation schemes, financed by borrowing against future savings generated by the reform, as public *buyouts*. We design a series of survey experiments to gauge the level and determinants of public support for buyouts across three policy domains: tax simplification, coal energy phase-outs, and amnesty programs. We find that attitudes co-vary across these different issue-areas. Yet buyouts are interpreted primarily as redistribution schemes, rather than means of improving welfare. Accordingly, individual attitudes align on ideological priors tied to redistribution, rather than economic efficiency. Buyouts also find more favor when they target individual workers rather than companies. On the other hand, respondents primed to think about moral hazard, a salient potential concern raised by buyouts, do not consistently oppose them at higher rates. In sum, our results show how crucial program design is in gaining support for public buyouts. In select cases, these may be viable means of pushing through welfare-enhancing reforms that have been blocked for decades.

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1 Introduction

Democratic societies do not suffer from a lack of good policy ideas. There are countless proposals for policies that relevant experts agree would result in welfare gains, and that polls indicate democratic majorities would support. Yet such *prima facie* commonsense policies often fail to be enacted, no matter how large the resulting benefits might be. The explanation for why first-best policies fail to be adopted often takes a familiar form: reforms have distributional consequences, and even when the winners win more than the losers would lose, the latter are nonetheless able to block the reform from passing.

The way by which small concentrated interest groups dominate diffuse societal interests is the bread and butter of the field of political economy, which has long been interested in identifying settings where rent-seeking behavior by concentrated interests results in suboptimal outcomes. The implication of these findings, taken together, is that the binding constraint on progress in democratic societies is not a dearth of innovative policies, so much as the political ability to implement the policies that have already been put forth. In this article, we focus on this binding constraint, and what would be required to relax it.

Consider the following three proposals. (1) Reform of the US tax code that would allow most US citizens to file their returns automatically, using information the IRS already has about their income, would save an estimated $2 billion annually in taxpayer time spent filling out forms, and government time spent processing them.[1] Yet every year, the US tax preparation industry spends over $30 million lobbying to successfully stymie such reforms. (2) Coal-powered energy plants cause severe health problems such as cancer and respiratory illnesses, which cost the US an estimated $309 billion a year in healthcare costs alone—not to mention its effects on cli-

[1] See, among others, Goolsbee (2006); Liebman and Ramsey (2019); Treasury (2003). For a recent treatment in the popular press, see Lowrey (2021).

mate change.[2] Yet the coal industry has successfully opposed phasing out coal-fired power plants, which still account for nearly a third of US energy consumption. (3) Repealing the Jones Act, which mandates that any goods shipped between two US ports must be transported on a US-built, US-flagged, and US-crewed vessel,[3] would result in estimated annual savings of $700 million in ship-building and fuel costs alone, and improve the government's ability to respond to crises like floods and hurricanes. Yet the US ship building industry has actively lobbied to block its repeal for the last 30 years.

These are merely illustrative examples of notable blocked reforms. Political economists have identified countless others which share a number of aspects: (i) a popular, welfare-enhancing reform (ii) blocked by concentrated interest groups (iii) lobbying to successfully stall policy change, often for decades.

Theory offers one straightforward solution for addressing this impasse: fully compensate the negatively affected groups for their losses, which by definition still leaves others better off. We refer to this option as a *buyout*: a large-scale public compensation scheme that renders the interest group on the losing side of a reform "whole," in exchange for agreeing to a policy change that it would otherwise block. Buyouts are financed by borrowing against future savings flowing from the reform. In this article, we try to determine how much public support there is for buyouts, and what this support depends on.

The issue of stalled welfare-enhancing reforms has recently taken on greater urgency with the acceleration of climate change. In response, schol-

[2]Estimate based on Machol and Rizk (2013). For a comparable approach to health costs of coal-fuelled power, see Epstein et al. (2011). For estimates of the combined social cost of coal on both health and climate change outcomes, see Grausz (2011).

[3]The Jones Act is formally known as the US Merchant Marine Act of 1920. The specific requirement is that the crew be made up of 75% US-nationals. See Lewis (2013); Slattery, Riley and Loris (2014) for a fuller discussion.

ars have begun looking at the ways in which a transition away from fossil fuels to greener energy sources might be facilitated through large-scale compensation of those negatively affected by the shift. In this vein, Gaikwad, Genovese and Tingley (2020) show that targeted compensation schemes are more popular among residents of coal-producing regions, while diffuse compensation, like green technology subsidies, finds more favor among the general public. Kono (2020) finds that even diffuse compensation schemes like unemployment insurance increase legislators' willingness to support carbon restrictions. Much of the thinking around the different means of compensating geographically-concentrated populations negatively affected by decarbonization policies has coalesced around the banner of 'just transition' (Newell and Mulvaney, 2013). Such attention to compensation in the climate debate is supported by findings suggesting how distributional conflicts, rather than e.g. collective action, is the binding constraint on ambitious climate legislation (Aklin and Mildenberger, 2020; Harrison, 2015). Yet even among the net beneficiaries of decarbonization measures, a normative concern for fairness might lead to higher support for climate change mitigation policies whose costs are distributed more fairly (Bechtel and Scheve, 2013; Bechtel, Genovese and Scheve, 2019), suggesting that a public buyout could in fact increase average support for the underlying reform. In the specific case we focus on in our survey, countries like Canada and Australia have phased out their coal industries while offering mass compensation packages to coal workers, in ways amounting to a public buyout. The same has been proposed for the US, without gaining any serious foothold in political debate.[4]

This recent surge of interest in buyout-like schemes is limited to the

[4]Gil Friend, Felix Kramer. 2014. "Deal of the Century: Buy Out the US Coal Industry for $50BN" *The Guardian*. Stephen L. Kass. June 3, 2016. "The federal government should buy coal plants, shut them down and pay to retrain their employees" *Washington Post*. Brad Plumer. Jun 7, 2016. "A not-so-modest climate proposal: why not just buy out the US coal industry?" *Vox*.

issue-area of climate change. Yet the premise of this article is that it is useful to conceive of climate compensation as merely one instance among many of a policy response to a fundamental challenge of political economy: how can a benevolent policymaker push forth welfare-enhancing reforms in the face of resistance from concentrated interests?

One reason for considering buyouts as the relevant analytical category is that, as we argue, there is reason to expect a proliferation of blocked reforms across a range of issue-areas. The multiplication of access points to policymakers and an increase in firm-level lobbying expenditures has increased the ability of private interests to block publicly beneficial reform. If the frequency of blocked reforms rises, so does the potential applicability of buyouts as a policy solution. Examining buyouts across multiple issue-areas, moreover, holds analytical advantages. By varying the issue setting, we can better identify the most significant determinants of public support for or disapproval of buyouts in any given instance. Our analysis attempts to do just that.

We design a set of survey experiments to assess the determinants of individual attitudes towards public buyouts in the US domestic audience. Public buyouts do occur in developed economies, but they remain rare; we try to identify the reasons why. We focus on two major objections to buyouts: moral hazard and moral aversion. In the first instance, the first concern over buyouts indicated by theory is a moral hazard problem: by offering compensation to a given vested interest group, one might embolden the same group, or others like it, to hold out in future similar instances, in the hope of a similar payout. Instead of resolving blocked reforms, a policy of systematic buyouts could then contribute to their proliferation. Observers often warn against setting a "dangerous precedent" by unintentionally incentivizing the very type of behavior they are trying to suppress. The bailouts of banks following the Global Financial Crisis illustrated this concern, as policymakers went to great lengths to justify policy measures which they

recognized could backfire if they changed bankers' incentives.[5] The second possible concern is a normative one. Domestic audiences may have principled objections to 'rewarding' interest groups for the very behavior which the reform seeks to abolish. In this view, eventual material benefits may not warrant the normative cost associated with paying off socially undesirable actors.

These two counterarguments are neither mutually exclusive nor exhaustive of the possible concerns with public buyouts. We also test for a concern over excessive government interference in the economy, and we seek out respondents' own explanations of their reasoning to suss out other possible factors. Yet we argue that taken together, moral hazard and moral aversion represent the bulk of the material and non-material objections to buying out vested interest groups.

We examine individual attitudes towards buyouts across three issue-areas: tax simplification, coal energy phase-out, and amnesty programs for political leaders in contexts of civil war. The first two draw on the policy proposals mentioned above. The third is designed to abstract away from considerations of government interference in the economy, while retaining considerations of moral aversion and moral hazard.

The survey results yield a number of key takeaways. First, a majority of respondents are in favor of buyouts across our three issue areas. Of these, the coal buyout proposal gets the highest rate of approval: a clear majority supports a buyout across all our experimental conditions, while also responding to these in a statistically significant fashion. Buying out the tax software preparation industry finds support of a slim majority, and

[5] See Bernanke (2015): "I was mindful of the dangers of moral hazard—the risk that rescuing investors and financial institutions from the consequences of their bad decisions could encourage more bad decisions in the future." Bernanke writes at length about how the US Fed was aware that its actions might "indulge rather than discipline risky financial behavior." The concern was not only over reshaping the expectations of banks, but also those of policymakers: critics "warned that this precedent would make it difficult to resist pressure from Congress to bail out other sectors."

hinges on the program's design. Our proposal for "buying out" dictators in civil war settings through amnesty programs also has the support of a slim majority; yet here, our experimental conditions see no significant effect on attitudes.

Secondly, approval of buyouts is correlated across these issue-areas. That is, attitudes do not appear to be issue-specific; the surveys successfully capture respondents' feelings about a policy approach. And those more inclined to the particular tradeoff involved in offering amnesty to dictators in exchange of an attempt at peace are also more willing to compensate tax preparation companies in exchange of pushing forth tax simplification reforms.

Third, we find that the design of the buyout matters: when affected individuals are the direct recipients of buyouts, these garner greater support than when the companies they work for are the ones receiving compensation.

Fourth, while we argue that moral hazard is the major counterargument against buyouts offered by theory, its significance for respondents varies across issue-areas. While individuals primed for moral hazard become more wary of coal industry buyouts, the same treatment has no effect in the case of tax industry buyouts or asylum for brutal dictators.

Finally, and most broadly, respondents view buyouts primarily as redistribution schemes, rather than as a means of attaining more efficient economic outcomes. Accordingly, those in favor of economic redistribution domestically are also more supportive of buyouts. Democrats are more favorable than independents, who are more favorable than Republicans. Along the same lines, priming respondents about their own receipt of Covid-19 governmental assistance negatively affects attitudes towards public buyouts among those who did not receive a check. Taken together, these results offer a coherent picture of mass attitudes towards buyouts as policy solutions to persistently blocked reforms.

2 Buyouts in Context

The paradigmatic case for concentrated interest groups blocking welfare-enhancing reforms is that of trade liberalization. In this respect, scholars often speak of trade liberalization (and other welfare-enhancing reforms) as "potentially Pareto-improving." What is meant by this is that conditional on some redistribution from the reform's winners to its losers, everyone could in theory be made at least as well-off as they were absent the reform, and all others would still be better off. Yet given how heroic this assumption turns out to be in practice, such settings are more accurately described as Kaldor-Hicks improvements—after the original treatment by Kaldor (1939), and subsequent refinements in Hicks (1939) and Hicks (1940). A Kaldor-Hicks improvement obtains as long as total welfare increases, without requiring that everyone remain at least as well off as they were prior to the reform. In that foundational article, Kaldor himself also turned to trade, drawing on the example of the British Corn Laws, which opposed consumers of bread, who stood to gain from liberalization, to mostly aristocratic landowners, who stood to lose from the reforms.[6]

In spite of how actual Pareto improvements in the social world are few and far between, compared to Kaldor-Hicks improvements, claims of "potential Pareto efficiency" are far more common than references to Kaldor-Hicks improvements.[7] This semantic preference is revealing. Political economy scholarship has long brushed aside all that actual compensation from winners to losers might entail, focusing instead on the overall size of the pie to identify desirable reforms. Looking at the case of trade liberalization, this led scholars to overlook the long-run distributional effects of lowering trade

[6] Explicit proposals for the direct compensation of land owners were in fact proposed, and may have accelerated repeal of the Corn Laws had they been adopted. See Baring (1908).

[7] To illustrate, there are over 50 times more published scholarly articles mentioning Pareto improvements than Kaldor-Hicks improvements in the last 5 years.

barriers, an omission which started being reddressed in the late 1990s,[8] and which came to a head following a string of recent findings showing the persistent effects of import competition on US regions "left behind" by trade liberalization.[9]

Hicks was prophetic in this respect. As he wrote in 1939:

> "Yet when such reforms have been carried through in historical fact, the advance has usually been made amid the clash of opposing interests, so that compensation has not been given, and economic progress has accumulated a roll of victims, sufficient to give all sound policy a bad name."

Over the past few years, trade scholars have increasingly converged on a similar verdict. Although theory suggests that the gains from trade would have been sufficient to offer compensation to those hurt by the removal of trade protection, governments have largely failed to do so. As a result, a "sound policy" has been given a bad name, and political opportunities have arisen for policymakers willing to take an anti-trade stance (Feigenbaum and Hall, 2015). The result is that Americans on average view trade agreements like NAFTA as having been bad for the US as a whole, whereas most evidence points to the contrary.

Referring again to the Corn Laws, Kaldor (1939) went so far as to outline how compensation might work, by taxing the consumers of bread who benefited from lower prices, and compensating the owners of land.[10] Yet Kaldor then deliberately steered clear of pronouncements on whether

[8] For a review, see, e.g. Kapstein (2000).

[9] See Autor, Dorn and Hanson (2013). Subsequent work has begun describing the considerable obstacles inherent in trying to effectively compensate those on the losing side of trade liberalization (Claeys and Sapir, 2020; Kim and Pelc, 2019). While programs like the US' Trade Adjustment Assistance (TAA) and the EU's Globalization Adjustment Fund exist to do just that, they are often underfunded and underused. In sum, there is growing appreciation for how the optimality of proposed reforms may depend on effective compensation programs, and how these programs are challenging to implement.

[10] "But it is always possible for the Government to ensure that the previous income-

compensation was therefore desirable, claiming that this was a "political" matter about which the economist "could hardly pronounce an opinion." We pick up where Kaldor left off, asking what opinions domestic audiences have on this very question, and how these might affect the thinking of policymakers vying to push through welfare improving reforms. Drawing on the concept of Kaldor-Hicks compensation, we seek to gauge mass attitudes towards public buyouts.

2.1 The source of blocked reforms

Observations about concentrated interests successfully dominating majoritarian interests are as old as political economy itself. In *The Wealth of Nations*, Adam Smith famously observed that such rent-seeking was invariably the eventual topic of any conversation between people in the same industry: "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."

Blocked reforms are often the result of path dependency. In our three examples above, the Jones Act was put in place in the wake of the First World War for well founded reasons of national security. The tax preparation industry arose to meet a real need on the part of Americans facing the arduous process of filing their taxes. Coal was once thought an affordable source of energy. In all three cases, what was once a sensible outcome grew less sensible because of exogenous change. The war ended, ways of simplifying the tax code arose, and new information about the negative spillovers of coal energy on health and the climate emerged. As North (1991) established, institutions do not necessarily disappear in the face of

distribution should be maintained intact: by compensating the "landlords" for any loss of income and by providing the funds for such compensation by an extra tax on those whose incomes have been augmented. In this way, everybody is left as well off as before in his capacity as an income recipient; while everybody is better off than before in his capacity as a consumer." (Kaldor, 1939).

preferable alternatives, if in the meantime groups emerge that benefit from their continued existence.

As a result, exogenous change that might be expected to lead to reforms does not. Relative cost changes that would otherwise lead to competitive pressures can be insulated against through demands for protection. Similarly, new information about societal costs may not be acted on. Until recently, it was not known that asbestos was a carcinogen, or that the particulate matter that results from burning coal had widespread health consequences. Interest groups have an incentive to dispute such new information, or to keep it from emerging altogether. Empirical evidence has long linked lobbying efforts by private sector interests with delays in risk assessments necessary to design optimal regulation (Muggli, Hurt and Repace, 2004).

Several factors account for why blocked reforms of this kind have been on the rise since the 1980s. A growing literature focused especially on the US points to an increase in the pervasiveness of legislative capture across financial regulation, land use regulation, intellectual property, and occupational licensing. Observers have also linked an increase in "capture" to a rise in corporate profit margins, though a number of other factors may be contributing to the same outcome.[11]

With the fragmentation of policy, a growing number of government agencies now have overlapping mandates. This has had the effect of multiplying the access point to policy benefits those groups best able to make use of that access. There has also been a notable rise in firm-level lobbying. The ability to lobby for highly specific tariff rates, for instance, has meant that more lobbying for trade protection is now done by individuals firms, rather than trade associations or industry groups (Kim, 2017; Osgood, 2017; Madeira, 2016). The same is increasingly true of health and safety standards, which can be customized to the particular production advantage of a single

[11] See, for example, "Too much of a good thing". The Economist. March 26, 2016. `https://www.economist.com/briefing/2016/03/26/too-much-of-a-good-thing`.

firm. As a result, the interests of companies are less likely to balance each other; the import-competing firms and export-oriented firms that rely on imported inputs no longer need to coordinate their clashing interests within the same trade association. They can both shape policy toward their individually preferred outcome. In sum, owing to these changes in government agencies and industrial relations, there is reason to expect a proliferation of cases of concentrated groups prevailing over diffuse societal interests. The result is that public buyouts may grow only more salient as a policy solution to stalled reforms.

2.2 The Case Against Buyouts

Kaldor-Hicks compensation is the simplest means of turning a Kaldor-Hicks improvement into a Pareto improvement, whereby everyone is at least as well off as they would be absent the reform. Yet as mentioned above, Kaldor himself was ambivalent about which cases should see compensation of those on the losing side of reform, and which should not. How might a policymaker adjudicate between these? And how might domestic audiences approach the same question?

One of the main considerations in deciding whether compensation would be a desirable means of pushing forth a beneficial reform in a given case is how it might subsequently affect other similar cases. Negotiated buyouts of interest groups do not take place in a vacuum, and should thus consider their impact on future potential reforms.

In this vein, the most theoretically well-grounded argument against buyouts is a concern over moral hazard. By offering compensation to a given vested interest group, one might embolden the same group, or others like it, to hold out in future similar instances, in the hope of a similar payout. A policy of systematically buying out recalcitrant interest groups might thus unintentionally increase the number of recalcitrant interest groups, rather than reduce it.

Moral hazard might be though to loom especially large if the reform being sought is of a recurrent type, as with health regulation of chemical products, which affects hundreds of products, and which are often held up by concentrated interest groups. For instance, there has been a longstanding push in the US to classify both formaldehyde and hydroquinone as carcinogens. A valid concern may be that by "paying to regulate" one chemical, government agencies may embolden producers of the other to hold out longer, in expectation of similar compensation. In this respect, one might think that the more "one-off" a policy proposal is, the less likely it is to change expectations by setting a precedent for other interest groups to adapt to. Similarly, the longer lasting a policy stalemate over a given reform, the fewer analogous cases there are that might treat it as precedent. Most generally, the concern over moral hazard speaks in favor of approaching buyouts on a case-by-case basis, rather than relying on them as a systematic solution to blocked reforms.

A second argument against buyouts is a concern that these effectively 'reward' interest groups for the very behavior which the reform seeks to abolish. Normative objections of this type are all the more likely given how rent-seeking groups that seek to manipulate public policy for their own gain are often perceived as disreputable. One thinks of the popular media's use of "Big Oil," "Big Tobacco," or "Big Pharma" to designate groups that wield disproportionate political power and use it to extract gains. Democratic audiences may be predisposed to suspicion towards concentrated political power. Individuals who see these groups as 'bad actors' might then have principled objections to programs that would offer these actors large amounts of public funds to get them to cease activities which already result in welfare losses. In this view, eventual material benefits may not warrant the normative cost associated with paying off socially undesirable actors.

These two arguments are neither mutually exclusive nor exhaustive. Moral hazard may loom especially large when dealing with normatively ques-

tionable actors. And moral aversion may simply be the way by which intuition grasps a not-fully-articulated concern around moral hazard. Altogether different concerns may also be present. For instance, domestic audiences may also feel that due to their sheer scale, buyouts grant too large of a role to governments. There may be related wariness over the process by which the amount of a buyout would be arrived at, and fears that governments might 'overpay' concentrated groups, due to the same political economic considerations that lead to blocked reforms in the first place.

3 Buyouts in Comparative Perspective

Do buyouts ever occur in practice? Before outlining our theoretical expectations, it is useful to offer some examples of past buyouts schemes.

3.1 Buyouts in Agriculture

One issue-area that has witnessed a number of buyouts proposals, and considerable variation in their success, is that of agriculture. Much of the current farm support system across developed countries was put in place during the inter-war period, when aggregate demand was growing faster than supply. In response, governments implemented a range of price support measures to help farmers and increase output, starting with the Federal Farm Board in 1929 (Bowers, Rasmussen and Baker, 1984). When productivity rose dramatically in the postwar period thanks to technological change,[12] those support measures remained. As noted above, interest groups formed to preserve the support measures. The result has been oversupply, inefficient production, and artificially high consumer prices.[13] Efforts to dismantle farm support systems began immediately after WWII, against the

[12] Advances included the use of non-organic fertilizer, better seed technology, and more efficient machinery.

[13] For a broader discussion, and links of farm bill reform to trade liberalization, see Paarlberg (1997).

background of international trade negotiations. One of the earliest such attempts came in 1949, pushed by the Democratic Secretary of Agriculture Charles Brannan. Referred to as a cash-out reform, it attempted to dismantle price guarantees, which were highly distortionary, with direct cash payments to farmers (Orden, Paarlberg and Roe, 1999). It was endorsed by the National Farmer Union, but was ultimately judged too expensive, and scuttled by Republicans, who still hoped to pass legislation getting rid of price supports without extensive compensation.[14]

This would prove the model for a half-dozen similar attempts at reforms of the farm bill. Republicans pushed for reform on grounds of economic efficiency; in response Democrats demanded high compensation, which Republicans denied on budgetary grounds. The bipartisan Boschwitz-Boren proposal in 1985 was a case in point: it dismantled all support for agricultural commodities in exchange of direct transition payments to farmers, phased out over 6 years. The Congressional Budget Office estimated the cost at USD 51 billion over the first three years—a spending increase that existed by design, reflecting the up-front cost of the proposed buyout—and Republicans rejected it for being too expensive. In a recurrent pattern, the continuation of the program soon cost more than the buyout would have, at USD 25.8 billion in its first year alone, owing to a decrease in market prices.

Yet over the postwar period, the US did in fact succeed in gradually liberalizing and compensating some specific agricultural sectors, though not others. The US partly or entirely bought out and liberalized agricultural quotas in tobacco, wheat, corn and rice; but it has come short of doing the same for sugar, peanuts, and dairy (Schmitz, Haynes and Schmitz, 2016; Orden, Paarlberg and Roe, 1999; Orden, 2005). What accounts for this variation between sectors remains an open question. One possibility is that highly concentrated interest groups are better able to block policy change,

[14]Recall that Democrats at this time still represented the producers of tobacco, wheat, and cotton, which were lower productivity crops than those grown in the Republican-controlled midwest (Orden, Paarlberg and Roe, 1999).

but that they also represent easier targets for negotiated buyouts. Along these lines, some have argued that the nature of the benefits being removed through reform matters: narrowly defined benefits may thus be easier to take away than broader support policies, precisely because the group to be compensated is easier to identify and reach a settlement with (Orden, 2005).

3.2 Buyouts in Coal-Fired Power Plants

The policy domain that we examine most closely through our survey experiments is coal-fired energy plants. In light of coal's contribution to climate change, many developed countries have tried to reduce their reliance on coal-fired electricity in the last decade. Some have done this by effectively buying out the industry's workers, and shutting down plants. The Canadian province of Ontario took this approach when it shut down its last coal plant in 2014. The province of Alberta then followed suit, modelling its phase-out on Ontario's, with a fund set aside to top up affected workers' income to 75 per cent of a worker's previous earnings following their layoff, to be paid from a carbon tax. Alberta's calculations of the cost of a buyout allow us to run our own crude estimate of how much an equivalent buyout of US coal-fuelled power plants would cost. Using this approach, we arrive at a figure of USD 80 billion, which we use in the survey experiment.[15]

[15] Alberta agreed to pay the 6 of its 18 plants that would have remained operating after the 2030 mandated phase-out 97 Million CAD annually for 14 years to cease activity by 2030. In 2016, the US produced 1,239,149 GWh of energy from coal. The Alberta buyout paid their six coal producers 73,465 CAD for each GWh of annual energy produced. Multiplying this figure by the annual amount of energy from coal in the US amounts to CAD 91 billion, or about USD 72 billion. Updated for inflation, and taking into account the compensation that would be required of the freight rail industry that has also lobbied against shut down of coal plants (70% of current rail traffic in the US is devoted to coal (Council et al., 2010)), we arrive at a highly approximate figure of USD 80 billion, which we rely on for the purpose of the survey. For perspective, an estimate in 2014 put that number at USD 50 billion (Gil Friend, Felix Kramer. 2014. "Deal of the Century: Buy Out the US Coal Industry for $50BN" The Guardian.) A re-examination two years later

These estimates suggest the right order of magnitude, though precise calculations of how much it would cost to render the coal industry "whole" are highly contingent on modelling assumptions. Relevant to our discussion, the actual cost of a buyout is ultimately the outcome of bargaining between a government and an interest group.

Similar buyout schemes have been put forth in Poland, a major coal producer. India has also proposed mass compensation schemes targeted at its 1.2 million coal workers, in an attempt to transition away from coal energy. Those efforts have been buoyed by a growing green energy sector (IISD, 2018).

3.3 Buyouts in other domains

A number of other domains have seen governments using buyouts to push through desirable reforms. Patent buyouts have been used to place technologies with high innovation potential in the public domain. France famously did just that in 1839, when it bought out the patent for Daguerreotype photography and put it in the public domain, which led to a string of rapid serial innovations in the field of photography (Kremer, 1998). Following the 1988 US-Canada Free Trade Agreement, the Canadian government bought out Canadian wine growers, paying them $8,100 per acre to pull out "undesirable," low quality vines, in exchange for removing protectionist measures rendered illegal under trade rules.[16]

noted that this amount did not include miners' pensions. See: "The federal government should buy coal plants, shut them down and pay to retrain their employees" Washington Post. Stephen L. Kass. June 3, 2016. "A not-so-modest climate proposal: why not just buy out the US coal industry?" Vox. Brad Plumer. Jun 7, 2016.

[16]The Canadian government also subsidized the planting of higher quality *vinifera* vines for those growers who were willing to transition. The acreage devoted to wine dropped by more than two thirds, from 3,456 acres in 1988 to 1,047 acres in 1989. The profitability of those remaining wine growers grew. Today's Canadian wine industry is largely thriving (Ross, 1995).

4 Theoretical Expectations

4.1 Counter-Arguments

We assess the weight of the dominant concerns surrounding buyouts. We test three dominant possibilities: moral hazard, moral aversion, and concerns over excessive government interference in the economy.
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4.2 Are Buyouts a Means of Reform or Redistribution?

We are also interested in whether buyouts are perceived primarily as policy instruments aimed at passing welfare-enhancing reforms, or as redistributive programs. That is, do domestic audiences interpret buyouts through the means used, or the end sought?

All aforementioned proposals for buyout schemes in agriculture (e.g. the Boschwitz-Boren proposal in 1985), trade (e.g. the proposals floated during the debates over the British Corn Laws), and coal-fuelled power (e.g. Friend and Cramer's "deal of the century") view compensation of the affected parties as a means of securing welfare improvements. Similarly, the primary intent of buying out the ship building industry in exchange of repealing the Jones Act would be to attain the resulting efficiency, rather than transferring tax revenue to a declining US industry—even as doing so might have merit on grounds of fairness or equity.[17] In the same way, a buyout of a chemical industry group in exchange of classifying a chemical product as a carcinogen would be directed at the resulting health benefits, rather than at propping up the chemical industry at issue. More plainly

[17] Addressing the issue on normative grounds raises a number of other considerations. Among these, one might ask what expectations an interest group had at the outset, and how they came to be "vested with their interests" in the first place. Investment law takes a similar approach when it asks whether an investor's "legitimate expectations" have been breached. This line of argument has been frequently pursued in the last decade under the fair and equitable treatment (FET) standard. See Potestà (2013).

still, drawing on the third vignette we use in our survey, offering amnesty to dictators is intended to quell a civil conflict, rather than allowing brutal political leaders a comfortable retirement.

In other words, the compensation in most buyout schemes would not be offered if there was a way of passing the underlying welfare-enhancing reform without it. In this understanding, buyouts are defined by their end (welfare improvement), rather than their means (compensation). Yet given high political polarization, there is reason to believe that any government transfer, no matter its professed intent or effective outcome, may be viewed primarily as a redistribution scheme on both sides of the political spectrum.

This matters, insofar as individual attitudes on redistribution vs. efficiency tend to align with opposite political views. In a way that reflects our discussion above of efforts at liberalizing the agricultural sector in developed economies over the last half-century, the political right tends to be in favor of liberalization on efficiency grounds; the left tends to favor compensation on grounds of equity; and both tend to be suspicious of one another's motivations. So which view dominates when it comes to buyouts?

We get at this question in three different ways. First, we ask what political ideological profile correlates most highly with approval of buyouts, and whether this differs across our three issue-areas. Second, we test whether approval of buyouts correlates with approval for government redistribution.[18] Finally, we ask a random selection of our respondents whether they received a "Covid-19 check" during the pandemic. We then compare the the rate of approval of buyouts among respondents who received a check and those who did not with the control group that was not primed with the Covid-19 check question.

[18] Following the formulation of similar redistribution questions in nationally representative surveys, we ask respondents: *How much do you agree or disagree with the following statement? Government should try to reduce the differences in income between people with high incomes and those with low incomes.*

5 Empirics

5.1 Vignette Selection

We designed survey experiments to gauge the level and the determinants of public support for this kind of "buyout" policy in three domains: tax simplification, coal energy phase-out, and amnesty programs for political leaders.

Although trade liberalization and trade adjustment constitute the paradigmatic case for compensation following welfare-enhancing reforms, we purposefully avoid it in the survey. Trade barriers that remain after 75 years of negotiations in the international trade regime are often still in place because the groups that benefit from protection have been able to mount arguments that transcend material interests. Coalitions between import-competing agricultural interests and environmental groups, or food safety protection groups, have arisen to not only pressure government policy, but also affect consumer behavior. Agricultural lobbies thus insist on healthfulness and environmental sustainability of domestic products while throwing doubt on the standards of foreign agricultural imports. As a result, domestic audiences that stand to gain from liberalization on strictly material terms may also have conflicting beliefs about the benefits of protecting domestic food producers—even as their consumption behavior reveals a preference for cheaper imported goods.

This point has broader relevance for our analysis. Holdout interests blocking welfare-enhancing reforms seldom make their case on the basis of self-interest alone. Most often, they invoke social values, from national security to national pride. Concentrated interests thus exert pressure not only on government behavior, but on domestic audiences more broadly, blurring the costs and benefits of reforms, and of associated buyout schemes.

To avoid this issue, we look for cases where the costs and benefits are especially plain. The first of these concerns the question of simplifying

tax filing. The second concerns the phasing out of coal-fired power plants.

Our third vignette considers a non-economic setting outside of the US context. We ask respondents whether they would support a deal whereby a foreign dictator is offered amnesty and safe asylum in Switzerland in exchange for giving up power and putting an end to a civil war. Our intent in this third vignette is to abstract away from considerations of economic redistribution about government intervention in the economy, and heighten considerations of moral hazard and moral aversion.

5.2 Survey design

To measure the level and determinants of support for buyout programs, we conducted an online survey with 2001 American adults, recruited to meet population quotas by age, gender, Census region, and education.[19] Each survey respondent read three short vignettes describing buyout programs with randomized characteristics. Finally, respondents were asked to express their level of support for the programs on a 0 to 10 scale.

The vignettes included two sets of randomized components. First, some respondents were only exposed to a description of the buyout programs, whereas others also read counterarguments related to moral hazard, excessive government intervention, and ethical norms. This allows us to estimate the effect of the most salient counterarguments to public buyouts on the public's support. Second, we randomized the identity of the groups who would receive compensation: "workers" or "industry." This allows us to estimate if the target of the compensation scheme affects the level of support for large-scale buyout programs.

Sections 5.3 through 5.5 describe the content of our three vignette-based experiments: *Tax*, *Coal*, *Amnesty*.

[19]The main survey was conducted between May 31st and June 4th 2021 by the survey firm Dynata. A follow-up survey was fielded by the same firm between August 9th and 20th (see Section 6.4). Respondents who fail an attention check administered immediately after the consent form are excluded from the survey.

5.3 Tax experiment

The tax experiment is designed to gauge the level of public support for a reform which would make it easier for American citizens to file their tax returns. Over the years, many policy entrepreneurs have advocated for such a change, but the tax software industry, comprised of firms like Intuit and H&R Block, have successfully lobbied against it.

In our analysis of tax simplification, there are two distinct sets of experimental treatments: *Beneficiaries* and *Counter-Arguments*. First, all respondents are asked to read the same core vignette, where the identity of the buyout recipients is randomized. In the text that follows, curly braces indicate assignment to the "workers" or "industry" treatments:

> Every year, Americans spend a lot of time filling out their tax returns, and a lot of money on tax software and services. The IRS has all the information it would need to fill out most people's tax forms automatically. This would save Americans $2 billion a year in time and money.
>
> {*Tax software companies — People who work in the tax industry*} oppose automatic tax filing, because it would hurt their {*business — income*}. Through intense lobbying, they have pressured the government to maintain the current system.
>
> Some people say that the only way to simplify tax filing is to compensate {*tax software companies for their losses — workers in the tax industry who lose their jobs as a result*}, to convince them to accept this reform. This would cost the government $10 billion now, but it would save Americans money in the long run.

After reading this core vignette, respondents are independently and randomly assigned to one of our three *Counterarguments* conditions: *Control*, *Moral hazard*, and *Government intervention*. Respondents in the *Control*

condition do not read any additional text. Respondents in the *Moral hazard* treatment group read this counterargument:

> Others say that if the government pays {*tax software companies — people who work in the tax industry*} to simplify tax filing, it would encourage other {*industries — workers*} to lobby against beneficial reforms in the future.

Respondents in the *Government intervention* treatment group read this counterargument:

> Others say that if the government pays {*tax software companies — people who work in the tax industry*} to simply tax filing, it would be playing too large of a role in the economy.

Finally, all respondents answer the same question, which we use as the outcome variable:

> Do you agree that the government should compensate {*tax software companies — workers in the tax industry*} for their losses in order to simplify tax filing? 0 means that you "Strongly Disagree." 10 means that you "Strongly Agree."

5.4 Coal experiment

The coal experiment is designed to assess if Americans are open to the idea of compensating the coal industry or coal workers in exchange for phasing out coal energy production. As in the previous experiment, all respondents read the same core vignette where the identity of buyout recipients is randomized:

> One third of the energy used in the United States comes from coal. Coal mining and energy plants cause severe health problems such as cancer and respiratory illnesses. Experts estimate that these health problems cost Americans $309 billion a year.

> {*The coal industry — Coal workers*} oppose{s} shutting down coal power plants because it would {*hurt their business — lead to job losses*}. Through intense lobbying, they have pressured the government to keep coal plants running.
>
> Some people say that the only way to close these coal plants is to compensate [the coal industry/ coal workers] for their losses. This would cost $80 billion dollars now, but it would save Americans money in the long run.

In addition, respondents in the *Moral hazard* treatment group read this counterargument:

> Others say that if the government pays to shut down coal plants, it would encourage other [industries / workers] to lobby against beneficial reforms in the future.

Respondents in the *Government intervention* group read this counterargument:

> Others say that if the government pays to shut down coal plants, it would be playing too large of a role in the economy.

Finally, we take the same outcome measure as in the previous vignette, on a scale of 0 to 10.

5.5 Amnesty experiment

The final vignette presents a different proposal, where the gains and losses are not economic: amnesty programs for "dictators," wherein political leaders are promised immunity from prosecution in exchange for giving up power. In the previous vignettes, we randomized the program beneficiary (industry vs. workers), but here the beneficiary, a foreign dictator, stays constant. As before, we design three treatment groups to assess the strength of two counterarguments: *Moral hazard* and *Ethical principle*.

To begin, all survey respondents read the same core vignette:

> In many countries, dictators brutally repress their citizens in order to stay in power. When dictators lose power, they are often sent to prison or killed. Some people say that if we allowed dictators to retire safely, they would be less desperate to stay in power, and would use less violence to crack down against their citizens.
>
> Some people say that if we allowed dictators to retire safely, they would be less desperate to stay in power, and would use less violence to crack down against their citizens.

In addition, respondents in the *Moral hazard* treatment group read this counterargument:

> Others say that letting dictators avoid legal consequences encourages other leaders to resort to violent repression.

Respondents in the *Ethical principle* group read this counterargument:

> Others say that it is wrong to let dictators get away with their crimes.

Finally, we measure the outcome variable by asking all respondents the following question:

> Imagine that a foreign dictator is willing to give up power and put an end to a civil war. In exchange, he wants to avoid prison and retire safely in Switzerland. Should the United States support this kind of deal? 0 means that you "Strongly Disagree." 10 means that you "Strongly Agree."

6 Empirical analysis

In this section, we ask four complementary questions. The first is purely descriptive: Who supports large-scale buyouts and amnesty programs? The second question is explanatory, leveraging randomized assignment to different treatment conditions: Do counterarguments and program design affect support for buyout initiatives? The third question is exploratory: Do people who benefit from government redistribution (e.g., Covid-19 relief checks) support buyouts more than others? Finally, we ask if expressed support for buyout programs could be driven by a form of researcher demand effect, whereby the mere fact of introducing respondents to the idea of a buyout makes them more supportive.

6.1 Who supports buyouts and amnesty?

To begin, we consider baseline approval rates and descriptive statistics. The first thing to note is that respondents are broadly supportive of buyout schemes. The highest level of support is for the coal buyout, where 61% of respondents across our treatment categories, and 65% in our control category approve of buyouts. That number rises to 74% for the coal buyout for "coal workers", rather than the "coal industry." [20] In our follow-up survey, the rate of approval is 74% across our treatment categories. By contrast, the approval rate for the tax buyout and the dictator buyout yield only weak majorities, with 51% of respondents being in favor of each. In the case of the tax buyout, the design of the program proves decisive in this respect: the approval rate goes from 44% to 54% when the buyout is directed from the "industry" to "workers."

Yet support for all three buyout schemes covaries; individuals in favor of buy outs in one setting tend to favor buyouts in other settings, with bivariate correlations varying from 0.36 to 0.55 (see Table 1.) The takeaway

[20] Since we ask respondents for their approval on a 0-10 scale, we code all responses strictly above 5 as approval, and all responses strictly below 5 as disapproval.

Table 1: Correlations between individual-level support for buyouts across three policy domains.

	Coal	Tax	Amnesty
Coal	1	.	.
Tax	0.55	1	.
Amnesty	0.36	0.41	1

is that views on buyouts are driven largely by the policy approach broadly held, rather than the specific issue area.

Beyond simple averages, there is considerable variation in support across socio-demographic groups. Figure 1, shows the estimated coefficients and confidence intervals from three linear regression models with four covariates. *Age* is negative and statistically significant: on average, older Americans are less supportive of buyouts and amnesties than younger ones. *Women* also appear to be less supportive of buyouts than men, although the gender gap is not always statistically significant across the three vignettes. Finally, *Democrats* are considerably more likely to support buyouts than either *Republicans* or *Independents* (the omitted reference category).

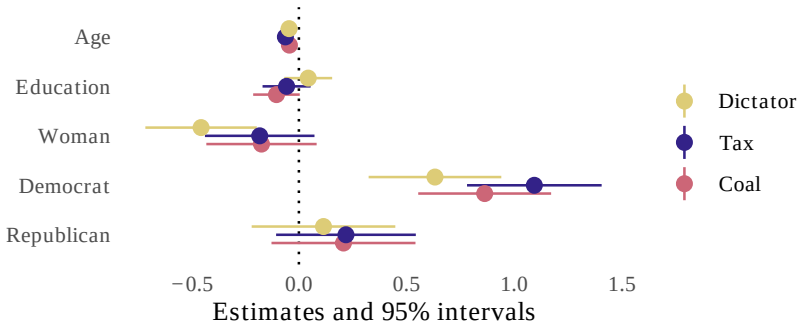

Figure 1: The association between socio-demographic characteristics and support for buyout and amnesty plans.

6.2 Do counterarguments and program design affect support for buyouts and amnesty?

To estimate the causal effect of counterarguments and of the identity of buyout beneficiaries, we estimate linear regression models with the randomized vignette features as regressors. In particular, we estimate three models of this form:

$$\begin{aligned} \text{Support} = \beta_0 + \beta_1 \text{Workers} + \\ \beta_2 \text{Moral hazard} + \\ \beta_3 \text{Government intervention} + \varepsilon, \end{aligned} \tag{1}$$

where the *Support* outcome is measured on a 0 to 10 scale; *Workers* is equal to 1 if the proposed policy compensates workers and 0 if it compensates the industry; *Moral hazard* and *Government intervention* are binary variables equal to 1 if the respondent is assigned to the corresponding treatment group; and the ommited category is the *Control* group. In the *Amnesty* experiment, *Government intervention* is replaced by *Ethical principle*.

Figure 2 shows the results. The first important, if unsurprising, result is that the design of a buyout program matters a lot for public support. On average, when compensation targets coal workers, the level of public support for the buyout program is about 0.7 points higher (about 1/4th of a standard deviation on the outcome scale). Considering that the treatment is relatively weak, substituting a few words in a vignette, we interpret this as a substantively strong effect of program design. The importance of who the direct beneficiaries of a buyout program are is further reinforced by respondents' write-in explanations for their level of support. Among those who received the "industry" treatment, several respondents explicitly noted that they would be more supportive of a buyout scheme aimed directly at workers. Consider these three representative write-in comments from different survey respondents:

– I don't think the coal "industry" should be compensated but I do believe all those forced into unemployment by shutting down coal mines should be compensated.

– The residents should be compensated but not the coal industry.

– Compensate some worker for up to a year and pay for education to get into another industry, CEO's deserve nothing.

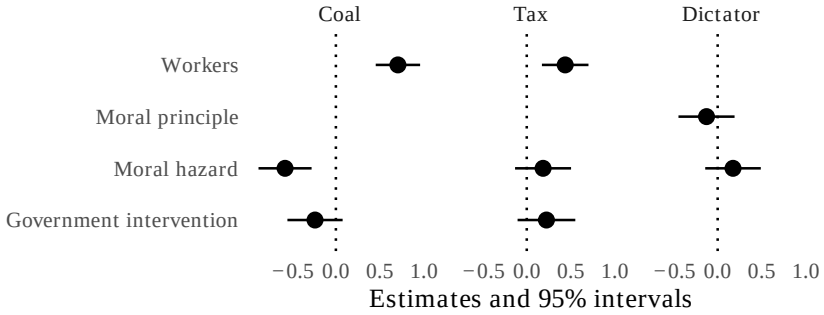

Figure 2: Estimated average treatment effects in the Coal, Tax, and Dictator vignettes.

The second interesting result is that counterarguments have an inconsistent effect on support for buyout programs. The threat of *Moral hazard* reduces support for the Coal buyout, but it has no statistically significant effect on attitudes towards either the Tax buyout, or the Dictator amnesty proposal. Similarly, the Government Intervention treatment had no significant effect on attitudes towards either the Coal buyout or the Tax buyout proposals. With the one exception of moral hazard for Coal buyouts, we thus cannot reject the possibility that respondents are insensitive to the counterarguments as we presented them.[21]

One possible explanation for the lack of a significant effect of our counterarguments treatment is that rather than respondents being unswayed by them, they may already have had these counterargument high in mind

[21] Adjusting confidence intervals for multiple testing would reinforce this conclusion.

prior to being exposed to them. In this were the case, we would have no way of observing a treatment effect.

Yet looking across the full set of volunteered explanations suggests that it is a normative concern over government intervention in the economy that looms largest in respondents' minds. In fact, the modal explanation volunteered by respondents for opposing either a Coal or Tax buyout is that the recipients are not *deserving* of government funds. In many cases, respondents felt that it would be unfair to compensate these groups when so many others receive no compensation when their firms go out of business. Consider the following three illustrative comments:

– *There are many jobs that have become obsolete with the advancement of technology. I don't think it is the responsibility of government to compensate.*

– *Absolutely not. We as Americans pay a ton in taxes as it is, we should not be responsible for other company's losing money.*

– *Did anyone compensate those people who sold horses, made carriages or reimburse blacksmiths when gasoline powered vehicles replaced transportation that was powered by animals??*

Most notable about these volunteered explanations, beyond the specific concern over government interference, is that buyouts are perceived as redistribution schemes. These respondents base their assessments on whether buyout recipients are "deserving" of compensation, whether others who lost their jobs in other circumstances also received government funds, and whether these groups should have seen reform coming. By contrast, as noted above, buyout schemes are defined by their goal of securing a welfare improving reform. In this sense, the compensation is a means to an end, which may or may not have separate normative merits. Given the prevalence of this view as volunteered by respondents, we use two further ways of assessing how buyouts are viewed: as means of redistribution, or as means of attaining a more efficient outcome?

6.3 Buyouts as means to Pareto improvements vs. means of redistribution

First, and most simply, we asked all respondents whether they favored fiscal redistribution, using the following standard question, with responses on a scale from 0 to 10:
How much do you agree or disagree with the following statement? Government should try to reduce the differences in income between people with high incomes and those with low incomes.

The bivariate correlation alone (0.51) suggests the high relation between elicited views about redistribution and approval for the coal buyout. This association is statistically significant in a regression, the estimates of which are shown in Figure 3, and remains unaffected by the inclusion of a "Democrat" indicator variable of political ideology. In fact, the association between political ideology shown in the descriptives above seems largely driven by views on redistribution, insofar as it has no significant effect when included simultaneously in the model.

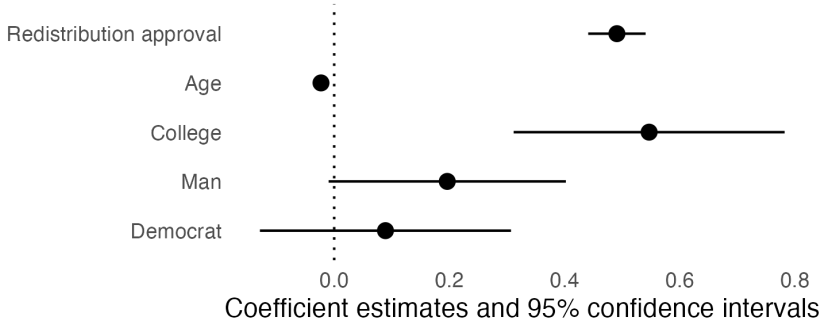

Figure 3: Approval for fiscal redistribution and support for coal buyout

Secondly, before eliciting their views about buyouts, a random subset of our respondents were asked whether they received a Covid-19 stimulus check from the government at any point during the pandemic. The question read:

The US government sent checks to millions of Americans who lost income during the Covid pandemic. Did you personally receive any Covid relief funds during the pandemic?

71% of respondents who were presented with the Covid question indicated that they received a Covid stimulus check; 29% said they had not. In the ideal experimental setting, we would randomize whether someone received government stimulus. Given the impracticality of doing this, our random priming of respondents to think about whether they received relief funds is a weaker treatment, and a necessarily second-best approach. It also means we cannot rule out the possibility of bias. In particular, those who oppose government intervention may be less likely to declare that they have received a relief payment. Nevertheless, the findings remain telling of the association between views on redistribution and views on buyouts.

Figure 4 shows the estimates in a regression setting, where estimates of recipients vs. non-recipients of Covid-19 government relief are shown, with the control group the omitted category, and controls for the same demographic variables as above. These results indicate that respondents primed to think about how they benefited from government relief became more likely to approve a coal buyout; but the much stronger effect was in the opposite direction: respondents primed to think about how they did *not* receive a Covid check became markedly *less* favorable to a coal buyout. The effect in substantive terms is akin to the shift in attitudes associated with going from a Democrat to a non-Democrat.

Taken together, these disparate pieces of evidence suggest that respondents view buyout schemes through the lens of fiscal redistribution. Whether it is buyouts of coal workers to phase out coal plants, or buyouts of tax software companies to simplify tax filing, respondents view these primarily as means of propping up those on the losing side of an eventual reform, rather than as the necessary condition for that reform. Accordingly, views about buyouts largely align on preferences over redistribution.

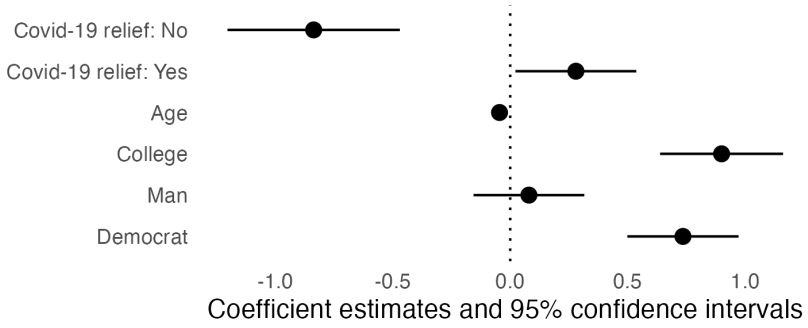

Figure 4: Covid relief recipients and support for coal buyout

6.4 Do buyout proposals have an inherent mobilizing potential?

Might the mere mention of a buyout option sway public opinion about the underlying reform? Buyouts are an unfamiliar policy proposal to most respondents, and they bring in stark relief the social cost from blocked reforms: by demonstrating how even given a very large money transfer to holdouts, policy reform would still bring benefits, they illustrate the magnitude of the existing efficiency loss. Buyout proposals, by themselves, may thus lead respondents to update their priors about the primary reform in question. If so, such an effect might be a threat to inference, but it would also hold significant policy implications. The updating effect of proposing a buyout might be enough to increase the odds of passing the underlying reform.

To explore this possibility, we conducted a follow-up survey experiment. Half of survey respondents were randomly assigned to the *Immediate* treatment condition, in which we gave contextual information about coal energy phase-out and revealed the idea of the buyout plan immediately. Those respondents were then asked if they agreed with two distinct statements: (1) "the US government should do everything it can to shut down coal-burning energy plants in the coming decade" and (2) "the government should compensate the coal industry for its losses in order to accelerate the

shutting down of coal plants?"

The other half of respondents were assigned to the *Gradual* treatment condition. Initially, these respondents were shown contextual information about coal energy production, but no information about buyout programs. They were then asked whether they agreed with the "government should do everything it can" statement. After recording their answers, we introduced the idea of a buyout program and asked them if they agreed with the second statement about compensation.

If the distribution of answers to those two questions differs significantly between treatment groups, we could conclude that the mere fact of introducing a proposal for a buyout—with all that it implies about the social cost of stalled reform, and the unlikelihood of passing this reform without first addressing the associated political economic standoff—might affect public opinion. Put otherwise, information about interests groups successfully mobilizing against change over an extended period might make the individual citizen value change more highly. Figure 5 shows that, for better or worse, this does does not appear to be the case: the distribution of views for each treatment group appears highly similar. A regression approach suggests the same: the mere mention of a buyout, and querying respondents about their views on it, does not have a significant effect on individual attitudes towards the underlying reform.

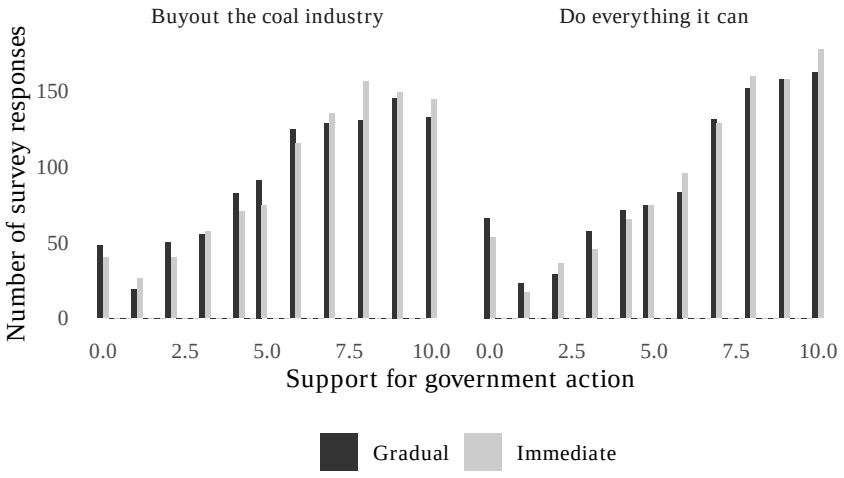

Figure 5: Support for government action in the coal industry does not differ when the researchers reveal the buyout idea gradually or immediately.

7 Conclusion

The problem of small, concentrated interests dominating large, diffuse interests is the bogeyman of political economy. It is the prevailing reason theory offers to explain why socially beneficial reforms are kept from passing. Yet a welfare-enhancing reform implies the possibility of compensating the affected parties in a way that renders them whole, while still leaving everyone else better off. Nicolas Kaldor said as much in 1939, but deliberately steered clear of making claims about when such compensation would be advisable. We refer to such mass compensation schemes, financed by borrowing against future savings generated by the reform, as public *buyouts*.

Are domestic audiences favorable to buyouts? That is the question we ask, after reviewing past examples of buyouts across different domains, and outlining the main reasons why such buyouts may be ill-advised in specific contexts. We assess mass attitudes towards buyouts on a total sample of 4000 respondents, across two surveys, looking at three issue-areas: tax simplification, coal power phase-outs, and asylum for foreign dictators.

The findings offer a number of takeaways. First, buyouts generally find favor among respondents, and support for buyouts is correlated across issue-areas. Yet the level of support depends on the program's design. Most clearly, buyouts aimed at individual workers find more favor than those aimed at companies. Priming respondents to think about moral hazard appears to decrease support for coal buyouts, but has no equivalent effect on other domains. Other counterarguments see no effect. Finally, respondents appear to view buyouts primarily as redistribution schemes, rather than means of attaining Pareto improvements, as envisioned by Kaldor-Hicks compensation. As a result, attitudes towards buyouts largely align with views on fiscal redistribution. Policymakers interested in pushing socially-desirable reforms through buyouts may thus gain from highlighting their end goal. Taken together, these findings suggest that conditional on program design, buyouts may serve as tenable solutions to enduring policy stalemates.

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Table 2: Estimated average treatment effects in the Coal, Tax, and Dictator vignettes.

	Coal	Tax	Dictator
(Intercept)	5.556	4.605	4.899
	(0.128)	(0.135)	(0.114)
Government intervention	−0.237	0.223	
	(0.157)	(0.165)	
Moral hazard	−0.577	0.185	0.174
	(0.157)	(0.165)	(0.161)
Workers	0.704	0.436	
	(0.128)	(0.135)	
Moral principle			−0.126
			(0.161)
Num.Obs.	2001	2001	2001
R2	0.021	0.006	0.002
R2 Adj.	0.020	0.005	0.001
AIC	9905.3	10 096.3	9990.2
BIC	9933.3	10 124.3	10 012.6
Log.Lik.	−4947.671	−5043.141	−4991.117
F	14.606	4.190	1.769

Table 3: Descriptive statistics for continous variables collected in the May 2021 survey.

	Unique (#)	Missing (%)	Mean	SD	Min	Median	Max
Age	72	0	46.7	18.0	18.0	46.0	91.0
Income	12	1	5.1	2.3	0.0	5.0	10.0
Tax: Support	11	0	5.0	3.0	0.0	5.0	10.0
Coal: Support	11	0	5.6	2.9	0.0	6.0	10.0
Dictator: Support	11	0	4.9	2.9	0.0	5.0	10.0

Table 4: Descriptive statistics for categorical variables collected in the May 2021 survey.

		N	%
Gender	Man	968	48.4
	Other	6	0.3
	Woman	1027	51.3
Education	No formal education	10	0.5
	Some primary school	23	1.1
	Primary school completed	60	3.0
	Some secondary/high school	158	7.9
	Secondary/high school completed	709	35.4
	Some college or university	382	19.1
	University completed or higher	659	32.9
Party ID	Democrat	763	38.1
	Independent	516	25.8
	Republican	591	29.5
Tax: Argument	Control	668	33.4
	Government intervention	667	33.3
	Moral hazard	666	33.3
Tax: Recipient	Corporations	1002	50.1
	Workers	999	49.9
Coal: Argument	Control	673	33.6
	Government intervention	663	33.1
	Moral hazard	665	33.2
Coal: Recipient	Corporations	997	49.8
	Workers	1004	50.2
Dictator: Argument	Control	664	33.2
	Moral hazard	668	33.4
	Moral principle	669	33.4

Table 5: Descriptive statistics for continous variables collected in the August 2021 survey on coal buyouts.

	Unique (#)	Missing (%)	Mean	SD	Min	Median	Max
Support: "buyout"	11	0	6.4	2.8	0.0	7.0	10.0
Support: "do everything"	11	0	6.6	2.9	0.0	7.0	10.0

Table 6: Descriptive statistics for categorical variables collected in the August 2021 survey on coal buyouts.

		N	%
Buyout plan	Gradual	1004	50.0
	Immediate	1006	50.0
Covid check	No	278	13.8
	Yes	725	36.1
	NA	1007	50.1
Education	No formal education	5	0.2
	Some primary school	28	1.4
	Primary school completed	44	2.2
	Some secondary/high school	110	5.5
	Secondary/high school completed	413	20.5
	Some college or university	710	35.3
	University completed or higher	700	34.8
Gender	Female	1040	51.7
	Male	967	48.1
	Other	3	0.1
Income	Less than USD 24,900	267	13.3
	From USD 25,000 to USD 34,900	234	11.6
	From USD 35,000 to USD 49,999	254	12.6
	From USD 50,000 to USD 74,999	301	15.0
	From USD 75,000 to USD 99,999	275	13.7
	From USD 100,000 to USD 149,999	273	13.6
	From USD 150,000 to USD 200,000	303	15.1
	Over USD 200,000	103	5.1
Party ID	Democrat	792	39.4
	Independent	399	19.9
	Republican	728	36.2