

ELGAR ADVANCED INTRODUCTIONS

Advanced Introduction to

PUBLIC POLICY

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1 Public policy: a design perspective

Introduction

Public policy is the set of activities that governments engage in for the purpose of changing their economy and society (see Peters, forthcoming). Some years ago Harold Lasswell (1936) defined politics as "Who Gets What". Lasswell was one of the first social scientists to study public policy in a systematic manner, and his definition of politics emphasizes that the political process is ultimately about producing benefits, and costs, for the members of the society. In other words, public policy ultimately is about the public. All the other things that we identify with politics – elections, legislative voting, bureaucracy and even the courts – are significant primarily because they contribute to making and implementing public policy.

Any number of traditional academic disciplines should be involved in the study of public policy. This book is oriented toward the politics of policy but economics, law, sociology and ethics also make important contributions to understanding how governments intervene in the economy and society, and these disciplines inevitably will make numerous appearances in the discussions here. In addition, various substantive areas of expertise such as public health, education and climatology are relevant for various policy areas. Thus, to understand public policy involves bringing together a range of information and expertise, all focused on changing conditions in the economy and society.

Even within political science there are alternative approaches to understanding how policy is made and implemented. For example, the conventional political science approach has been to use the policy-making cycle (Jones, 1984; Hupe, 2007) beginning with agenda-setting and ending with evaluation and feedback as a frame for understanding policy. There have also been several approaches to policy grounded on bounded rationality and the constraints imposed on decision-making by the absence of full information (Zaharadiaz, 1999, 2007).

Still other approaches are based on the manner in which the public agenda is determined (Baumgartner and Jones, 2010). And even more approaches focus on characteristics of policy itself (Hood and Margetts, 2007; Peters, forthcoming).

The various approaches to public policy, in political science and across the variety of other disciplines, provide a number of insights into public policy. However, to be able to link all these perspectives requires some more encompassing framework of perspective. I will be attempting to make the linkages in policy through a design perspective (see Linder and Peters, 1984; Schneider and Ingram, 1988; Howlett and Lejano, 2013). Like engineering or architecture, good policy analysis involves bringing together a series of components and processes into a designed intervention into the economy and society.

The political process and the complexity of the targets of policy may make such well-designed interventions more difficult to achieve than for engineering or architecture. Unlike metal or concrete, citizens have minds of their own and therefore making policy depends upon the extent to which citizens behave as expected. That said, however, for the analyst thinking about what a good design would be enables him or her to at least begin with strategies for intervention. That design may have to be more contingent than those in other fields but a clear design is perhaps the best way to begin the intervention.

The fundamental argument of this book is that we can understand public policy through a design perspective, and also that we should consider the appropriateness of policy interventions through a design perspective. The argument for a design perspective on public policy is that there needs to be some clear connection between the assumed causes of the problem being addressed, the instruments used to attempt to remedy that situation and an understanding of what a desirable outcome would be. A design perspective on policy emphasizes those multiple linkages as well as the need to consider policy interventions in a more holistic manner than is generally characteristic of policy analysis.

Saying that a policymaker or an analyst wishes to utilize a design perspective on policy, however, is only the beginning of addressing the issue. The participants in the process must then elaborate exactly what is meant by that design. On the one hand, designing could be considered from a positivist, "scientific" foundation. In such a perspective the nature of the problem to be solved is taken largely as a given, and

then various forms of evidence and analysis are brought to bear on the problem to produce a "solution". This can be seen as a form of "normal science" in which the analytics are conducted within a largely agreed upon paradigm.

This scientific approach remains the modal form of addressing public policy problems. Simply because so much policymaking is done within specific policy domains for which the nature of the problem and the range of possible solutions have been well defined. Organizations within the public sector, as well as their clienteles, generally have been able to create some agreement within their own policy domains, so that decisions being made are largely at the margin, rather than about fundamental policy issues. While these "silos" may generate real problems for considering how to resolve larger policy issues they do provide the participants with some predictability and some control over their own policy domains. Likewise, policymakers and their analysts are primarily in the business of solving particular problems rather than thinking about the more intellectual foundations of policy analysis.

Another strand of the political science literature on policymaking and policy design has dealt with this issue of design primarily through considering the ideas informing a design, and to some extent through the framing of possible policy interventions (see Stone, 1997; Chong and Druckmann, 2007). In this analytic perspective policies, and the problems that they are meant to resolve, are primarily social constructions rather than "scientific" in the positivist sense of that term. Giandomenico Majone (2002b), for example, expressed his discontent with the more scientific approaches to regulatory policy in Europe and stressed the desirability of using rhetorical and legal methods for understanding and shaping policy.

Therefore, in this constructivist view, policy designs are shaped through argumentation rather than a rational analytic process (Fischer and Gottweiss, 2012). Rather than having a single answer to the policy problem different sets of argument ideas will be associated with different designs, and may produce different types of interventions. Further, the problem itself may not be taken as a given and will be subject to interpretation – indeed defining the policy problem may be the most important aspect of the entire process, given that once it is defined and understood in a particular way then the remainder of the analysis proceeds from that perspective.

This constructivist conception of design argues that a particular set of ideas define the policy design. In addition, those policy designs can be generated by picking ideas from other settings, defined geographically or through policy domains (Schneider and Ingram, 1988). This approach to design emphasizes the need for design and the need for comparative analysis, but it does not go far enough in identifying the elements of designs that need to be included, and linked together, to construct an effective policy intervention. Constructivist perspectives on policy design have become very popular among governments in the guise of “evidence-based policymaking” (see Pawson, 2006; Botterill, 2013) but in this version the approach appears to assume that policies may be transferred more easily from one setting to another than may actually be possible.

In addition to those two seemingly opposite approaches described above, Davis Bobrow and John Dryzek (1987) have discussed policy design from various theoretical perspectives in the social sciences and their insights into policy. Whereas the ideas discussed by Stone and others (Fischer and Gottweiss, 2012) pertain to the policy issues themselves and their frames, the approach to design coming from Bobrow and Dryzek is more concerned with the social scientific theories that can be brought to bear in understanding and solving those issues. Bobrow and Dryzek are arguing that major theoretical perspectives on policy each contains an intellectual design that also contains a set of possible solutions. Many social scientists do not consider the policy implications of their theories, but they are certainly present and need to be considered.

Yet another version of policy design stresses implementation and the mix of policies and policy instruments that may be involved in particular policy areas (Howlett and Rayner, 2007; Van Hulst and Yanow, 2014). This perspective makes the important point that policies are rarely acting alone, and many policies and policy instruments may be acting upon the same targets. On the other hand, however, this perspective on policy design is perhaps too narrow because it focuses almost exclusively on implementation and policy instruments rather than on the full range of decision-making that must go into design. Still, the emphasis on designing in the context of crowded policy spaces forces the designer to adopt a more comprehensive vision of policy.

Although it is easy to say that policy design is a useful approach to public policy it is only the beginning of thinking about the process of

designing policies. There are alternative approaches to the process, and to policy considered more generally, as well as alternative theoretical perspectives on governing. And there is the political process itself that can place numerous barriers in the way of any would-be designer. What follows is an attempt to understand better what is needed for an adequate design of a policy, and the process of producing such a design.

The design perspective

The design perspective presented in this volume will contain three components. The first is a model of causation. Policies are designed to solve some problem or problems in society, and no policy can be expected to be effective unless it has a clear conception of socioeconomic dynamics that are producing the problem to be solved. Further, policy problems themselves need to be understood and conceptualized effectively in order for effective interventions to be designed (see Peters and Hoornbeek, 2005). These policy problems may be thought of as somehow objective and clearly identifiable, but they are subject to, and sometimes the product of, politics and interpretation (Fischer and Gottweiss, 2012).

It is important to understand that there may be no single conception of a policy problem, and therefore no single conception of how to address that problem. For example, what type of problem is the drug problem? Is it a law enforcement issue, or a health issue, or an issue of social dislocation (see Payan, 2006)? This framing of issues is a crucial political process, determining not only the types of intervention to be undertaken but also the actors within the public sector who will gain the budgetary and personnel resources associated with the policy. And, of course, the accuracy of the frame may determine whether the policy problem is actually “solved”,¹ and what types of outcome individual citizens may expect.

A model of intervention is the second component of any design framework for public policy. What options are available for the public sector, and its allies in the private sector, to intervene and to alter conditions in the society. Understanding interventions requires something of a strategic or governance approach to policy. That is, to be effective policymakers have to understand the policy process and the variety of points at which they can intervene. To some extent understanding policy

interventions requires adequate understanding of the causal processes described above, so that the policymaker knows which aspects of a policy are most amenable to change.

These points for intervention also may be defined by the stage in the policy process or it may be defined by institutions. For example, in federal systems individuals or organizations must decide which of several possible levels of government they will select as the venue when they attempt to change policies (Benz and Broschek, 2012). And it may be easier to alter outcomes at the implementation stage than at the formal policymaking stages of the policy process (Exworthy and Powell, 2004), given that partisan politics will be less relevant during implementation. Therefore, the would-be policymaker needs to make a number of careful strategic choices that are likely to influence his or her success.

A central element in designing interventions is the selection of policy instruments. Governments have a substantial "tool chest" that they can use to attempt to generate change during the implementation process (Hood and Margetts, 2007; Lascombes and Le Gales, 2007) and those tools have a number of characteristics that must be understood for effective design. Further, as governments have moved away from command and control instruments toward softer modes of intervention (see Salamon, 2001a) the entire nature of policy instruments, as well as intervention more generally, has to some extent been transformed.

The selection of instruments is not, however, a simple technical process but rather is also political as the instruments themselves create winners and losers just as do the substantive nature of the policies themselves. The shift away from "command and control" instruments toward softer, negotiated forms of intervention, for example, creates a very different dynamic within policymaking that involves numerous stakeholders in the selection of policy. Further, instruments such as SNAP² in the United States that builds coalitions across conventional policy areas are likely to be more stable than instruments based more on individual organizations and their clients rather than coalitions.

Finally, understanding policy requires a model of evaluation. What is good policy and what is a good outcome from the intervention of government? This evaluation of policy outcomes involves several sets of criteria. The most commonly applied criteria are economic, and in particular those associated with cost-benefit analysis (Mishan and Quah, 2007). But there are also normative criteria, including political

criteria, which should also be used to assess how well the public sector has been performing as it makes its interventions (Boston et al., 2010). These normative criteria rarely provide the neat, quantitative answers provided by the economic assessments, but they are equally important in understanding success and failure in policymaking.

A final point about this design perspective on public policy is that I have been discussing the designs policy by policy, but almost all policies are embedded in complex patterns of cooperation and competition with other policies and organizations. Although I will not emphasize issues of coordination and collaboration in this book (see Peters, 2014a, forthcoming), it is important to remember that these connections do influence the success and failure of any individual policy. And the services delivered to citizens and businesses are sub-optimal because of the failures to integrate the services being provided. Indeed, addressing some issues such as crime may be better done, in the long run, by beginning with programs labeled "social policy" and "economic inequality" than with those labeled "policing" or "crime prevention". The world of public policy is complex and interconnected and taking the linkages into account may be crucial for success.

Design and evolution

The design perspective described above tends to assume that the policy designers, whoever they may be, will create a template for policy that then proceeds through other stages of the policy process. With a plan, whether implicit or explicit, for intervention and then a model of evaluation, a design perspective seeks to put the chosen template for policy into effect. This top-down perspective on policymaking is common among decision-makers within the center of government, but generally appears excessively controlling to actors outside those inner circles.

The more purposive conception can be contrasted with a more evolutionary and adaptive perspective. In that adaptive view any initial design for a policy is, and should be, subject to modification as it is elaborated and implemented (see Browne and Wildavsky, 1984). In this view any design made through a political hierarchy or by planning is likely to require adaptation as it confronts the complexity of the environment. The challenge in such a perspective on policy is maintaining the intentions of the formulators of the policy while attempting to make it perform adequately in the real world.

For some political actors that “drift” of policy during implementation is considered a significant problem. On the one hand, the tendency of bureaucrats to act on their own interpretation about the policy often concerns conservatives who believe that those bureaucratic decisions tend to expand the role of the agencies making the decisions (McCubbins et al., 1989). And even on democratic and legal grounds there are reasons to object to decisions that go beyond the intentions of the legislators who had the constitutional powers to make the decisions (Lane, 1983).

The conflicting ideas about the desirability of evolution and adaptation in policymaking reflect underlying legal, managerial and political conceptions about policy. On the one hand, it is easy to argue that designing policy for once and for all is difficult and perhaps misguided, and that building in more adaptive capacity is important for success. On the other hand, legally there is some imperative to implement the law as enacted. For managers in public administration these different conceptions are reflected in the dual and perhaps competing demands to make something happen and to follow the law.

Rationality, risk and design

This book will stress the creation of designs for public interventions in the society. There are certainly some approaches to public policy that do not appear to match this rationalist perspective, for example, the logic of bounded rationality, incrementalism and the garbage can, and these approaches tend to be dominant in political science. However, even those seemingly unsystematic elements can be integrated into the design framework. Or at a minimum these less structured elements of the policy process can be judged against which the realities of formal design of the policy can be assessed.

Phrased the other way round, the concept of design provides a logic against which the realities of policymaking can be evaluated. Even if the dynamics of policy and the definition of the problems are not as clearly delineated as might be desirable from a rationalist perspective, they must still be understandable within the context of a policy process that will produce some form of design at the end of the process. Risk and bounded rationality are not so random that they cannot be investigated through thinking about more systematic design and analysis of policy and policy processes.

Approaches to policy such as bounded rationality and the garbage can emphasize that uncertainty is always present when governments attempt to intervene in their environments. Indeed, that uncertainty may be increasing as an increasing number of “wicked” problems confront governments (Rittel and Webber, 1973; Peters and Pierre, 2013). A range of emerging issues such as climate change, resource depletion and obesity all involve multiple values, conflicting goals and uncertain causal processes, making addressing policy problems increasingly difficult, and the politics of policy all the more contentious. The political contention and the inherent instability of these problems require maintaining openness in the design of interventions and in the implementation of those interventions.

Any meaningful conception of policy design, therefore, must build in uncertainty and risk. This point has been emphasized by scholars such as Yehezkel Dror (1986) and Boin (2004) but remains less integrated into most studies of public policy than perhaps it should be. It is one thing to argue that the rationality involved in policymaking is inherently bounded, but integrating that understanding of uncertainty into the design of public sector interventions is more difficult. As pointed out in Chapter 4 there are analytic methods of utilizing risk when making decisions about policies, and these methods should be incorporated into the design process.

Finally, any consideration of policy design must include careful consideration of the process that generates the design. Thinking about designing appears to imply a top-down, hierarchical process that minimizes political involvement. In any democratic political system imposition is impossible, there is a complex political and administrative process for formulating and implementing policy. That political process has been increasingly opened to a wider range of political actors so the capacity to control the final outcome has been further weakened (Torfing et al., 2012). Although not hierarchical, and often apparently less than fully rational, this remains a design process. Designing policy does not mean that the idea will come from one source or contain one clear idea, but rather this is more an analytic model to understand what is being generated through the policy process.

The state and its allies

This book will focus on the role of the public sector in making and implementing policy. We are, however, cognizant of the role that

non-state actors play in this process. Both market actors and civil society organizations are involved in making and implementing public policies, and this role has been increasing in most industrialized democracies, and to a lesser extent in other countries (Zubriggen, forthcoming). The ideologies of New Public Management (Christensen and Lægreid, 2007) and neo-liberalism more generally have tended to emphasize the use of market mechanisms in policy and administration (see Gingrich, 2011). Alternatively, advocates of collaboration and network governance have emphasized the role of social actors in policy and administration (Hoppe, 2010).

The majority of the ideas to be developed in this book will be as applicable to policymaking with the involvement of non-governmental actors as they will be for policymaking that is more state-centric. The same issues of designing policy must be confronted with or without the direct involvement of non-governmental actors. Some advocates of more collaborative styles of policymaking would argue that the process will produce better policies if all the stakeholders are involved, and/or if market-style instruments are adopted for implementation. But other analysts would argue that difficult policy choices can be made more readily if they are shielded from outside influences and made by responsible government elites (Fung et al., 2007).

Whether more effective decisions can be made or not, it is likely that contemporary policymaking will involve a wider array of actors than in the past. The political mobilization of more interest groups, the emphasis on openness and transparency in governing and additional legal requirements for involving social actors all lead to the greater involvement of stakeholders in the policy process. Although justified primarily in democratic terms this inclusiveness may not, in fact, include all relevant actors – most importantly the public in general – so that conventional representative democracy continues to have a major role to play in legitimating policy choices and in attempting to include a range of perspectives on good policy.

Contents of the book

The following chapter of this book will address the three components of policy design mentioned above. As already noted the book will emphasize the political dimensions of public policy, although it will certainly attempt to include other elements (especially the role

of economic analysis) in public policy. When attempting to understand the nature of policy problems, I will also have to think about those problems in the social and economic context that defines them as policy problems, as well as considering their political aspects.

Although not discussed as a separate component of policy design, decision-making is a pervasive element of policy. The other three components of policy design all involve decision-making and there is an extensive literature on how policies are made. The approaches to policymaking range from very rationalist perspectives to perspectives based on almost random confluence of streams. All these perspectives have some validity but they also have some intellectual and practical difficulties. Chapter 2 will assess these perspectives on decision-making and argue for a more contingent perspective on their use.

The first part of the book will discuss models of causation of policy problems. The first chapter in Part 1 will discuss the political processes involved in framing policy issues and in agenda-setting. These are crucial aspects of initiating the policy process, and include numerous political and social actors in that process. The second chapter will discuss the nature of policy problems themselves, pointing to the various dimensions of these problems that in turn shape the policy process and the possible modes of intervention.

The second part of the volume will discuss approaches to intervention. The first of these two chapters will discuss intervention in strategic terms, including political and governance strategies that establish priorities and must also include assessments of risk. The second chapter within Part 2 will be a detailed examination of policy instruments and the means through which public actors, and their private sector allies, can attempt to alter conditions in the society. Policy instruments are complex entities that require evaluation and careful comparison, and often are used together to produce more effective interventions.

After governments intervene into their societies, they need to assess the consequences of those actions. Therefore, the third part of the book will discuss means of evaluating public policies. Just as there are alternative models of causation so too are there alternative models of evaluation. Economic evaluations of policy – generally cost-benefit and allied forms of analysis – are the most common modes of evaluation. The alternative version of evaluation – using ethical criteria – may give alternative answers about the success or failure of a policy. And in

addition to these criteria there is the ongoing political evaluation being undertaken by both citizens and political leaders.

Finally, there will be a short concluding chapter that attempts to integrate the three components of design and considers how they interact in the practice of policymaking and implementation. The conclusion will also discuss the problems raised by a design approach to public policy and what future research will be required to make the approach even more useful for understanding policy and actually designing interventions. The principal emphasis of this book is on creating an academic understanding of public policy, but that academic understanding can also be linked directly to actual attempts to solve policy problems.

NOTES

- 1 Solving a problem may be an excessively optimistic goal. In reality most policymaking is only amelioration and further, policymaking at one time may address the problem but may also create new problems (Sieber, 1980).
- 2 Supplemental Nutrition Assistance Program, formerly Food Stamps, supports farmers by ensuring markets as well as the disadvantaged by subsidizing food purchases.

2 Policy problems

In the best of all worlds there would be no social or economic problems that would require the intervention of the public sector. But we do not live in that world, and there are a myriad of problems in society that require intervention. The public sector, and its allies in the private sector, may not always want to intervene in these social conditions – whether for ideological or for practical reasons – but often they are compelled to do so. Public pressure and the very presence of some types of problems may force intervention. To understand policy design we need to understand the problems that are being addressed by public sector action, including very broad questions about market failure and social failure that create those problems.

In the most general sense a policy problem is a condition that some or all citizens (and policymakers) find undesirable. These problems may range from simple issues such as litter in the streets to pensions for elderly citizens through to major foreign policy questions. Some of these policy problems may be addressed through private action – citizens may clean up litter in their own streets. Most of these problems will, however, become a part of the political agenda. And with these problems also come a range of alternative solutions that may or may not be suitable as a means of resolving the issue. This common sense conception of policy problems is the beginning of all steps in making public policy.

This discussion of problems will identify some of the underlying characteristics of policy problems. Most discussions of policy problems tend to describe them according to the functional area within which they occur – agriculture, education, defense and so on. However, there may be as much variance within each of these functional areas as there may be across areas (but see Freeman, 1985). For example, the field labeled education includes everything from pre-schools through to research universities, with markedly different issues, actors and politics. And most important for this discussion there are a number of