

Public Policy Analysis, 5th Edition

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2 Policy Analysis in the Policymaking Process

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How Policies Work

When we think about policies that are developed to respond to policy issues, we should be able to explain the process by which these policies are made and Implemented.

- **How do problems get the attention of policy makers?**
- **How are policies made and implemented?**
- **How are they monitored and and evaluated?**
- **How are policies maintained, changed, or terminated?**
- **How can methods of policy analysis help improve this process?**

Key Points

- The process of public policy making is a political process based on the exercise of political power and legal authority
- Power and authority are exercised by executive, legislative, and judicial bodies at local, national, and international levels
- The process of policy making has multiple phases ordered in time—chains, cycles, detours, short-circuits
- Policies are made more or less quickly, by a few or many persons, with small or (rarely) large changes
- Four models (I-IV) help us understand the process of making and implementing policies
- The process of policy analysis helps improve the process of policy making by providing policy-relevant information that is useful in the policy process.

Phases of Policy Making

- agenda setting
- formulation
- adoption
- implementation
- evaluation
- adaptation
- succession
- termination

Four Models of Policy Making

- Model I: Rational Actor
- Model II: Organizational Process
- Model III: Bureaucratic Politics
- Model IV: Interrupted Equilibrium

Model I: Rational Actor

Analogy —The policy process is like an economic enterprise or company in which a CEO chooses an investment alternative that earns the greatest net profit.

Example: $S_n = (1 + r)^n$

Rule —The greater the benefits of an alternative, and the less the costs, the more likely the alternative will be chosen.

Characteristics of Model I

- Policy makers agree on a problem
- They identify objectives
- They list all policy alternatives
- They predict all outcomes
- They determine utility/value of outcomes
- They choose the optimal alternative

Model II: Organizational Process

Analogy— The policy process is like an unending *debate* in which participants adjust their positions because they are forced to negotiate and compromise.

Rule — Partisan policy makers *mutually adjust* their policies, so that policies at one time, t , are only marginally different from policies at a later time, $t+1$.

Characteristics of Model II

- Policy makers adjust objectives after tradeoffs
- Policies made at the margins of status quo
- Policies based on a limited set of alternatives
- Changes in policies occur in small increments
- Problems reconstructed when new information becomes available
- Analysis and evaluation occur throughout society in a process that is fragmented and disjointed
- Policies involve small steps to remedy a problem rather than cure them completely with radical steps

Model III: Bureaucratic Politics

Analogy — The policy process is like a *battle* among inhabitants of relatively isolated islands, each of which has its own program and its own ways of rewarding and punishing its own islanders.

Rule — “Where you *stand* depends on where you *sit*.” The favored policy of a bureaucratic leader depends on the agency or ministry in which she sits.

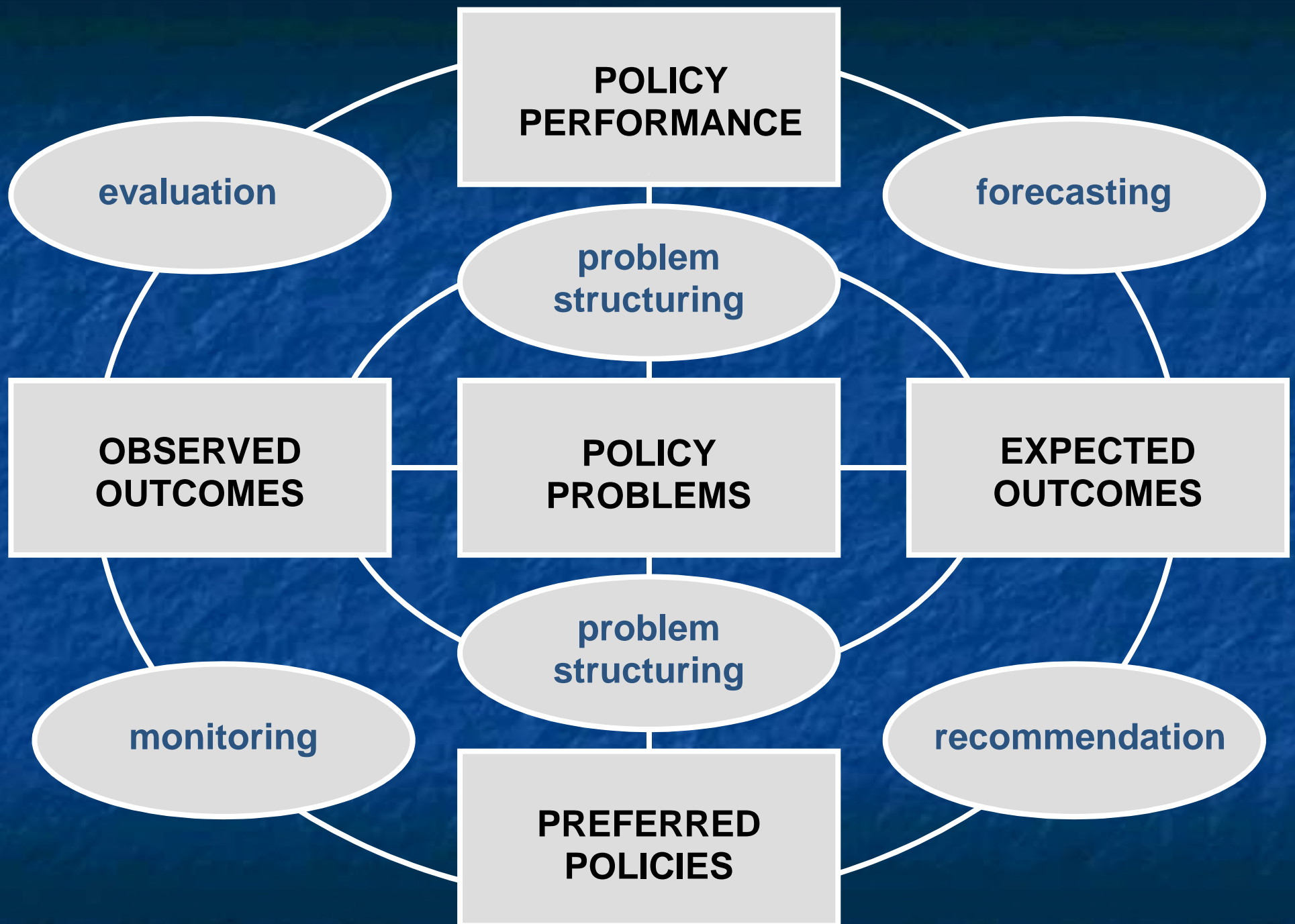
Model IV: Interrupted Equilibrium

Analogy —Policy making is like *biological evolution*. Most policies involve small, relatively small changes over long periods of time. There is a stable, dynamic equilibrium among competing policies—but from time to time there are abrupt and perhaps irreversible changes.

Rule —Periodically, external shocks produce new political beliefs and attitudes, including fear, and these result in large and abrupt changes in policies.

How Policy Analysis Can Improve the Policy Making Process

- Use widely respected methods of policy analysis to provide more and better information in each phase of policy making
- Translate this information and analysis into a language that is understandable to others
- Prepare written policy documents including memos, regulatory impact assessments (RIAs), policy issue papers, and research reports on potential solutions to problems
- Use oral briefings, meetings, conversations, and conferences to communicate the contents of policy documents



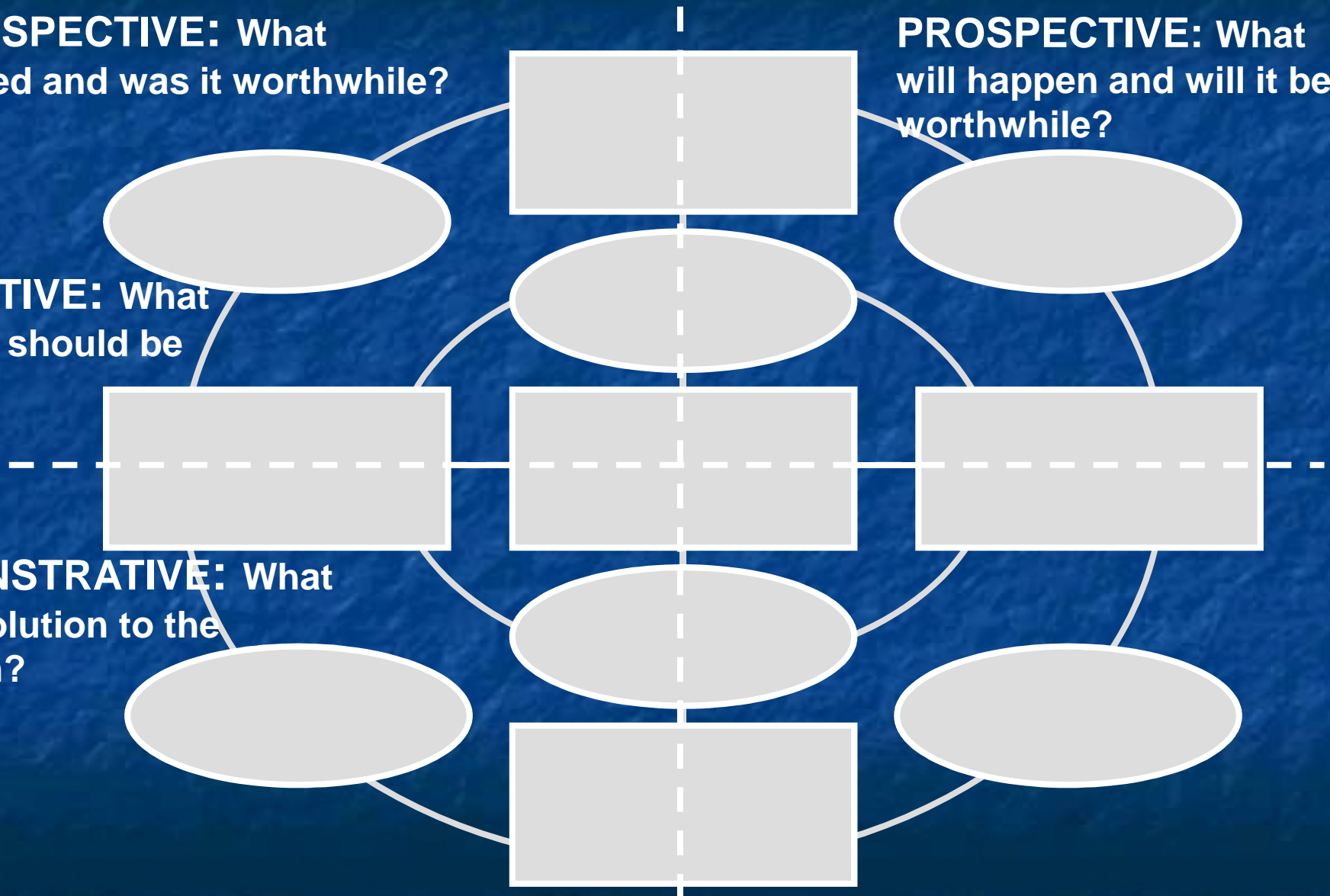
Questions Answered by Methods

RETROSPECTIVE: What happened and was it worthwhile?

PROSPECTIVE: What will happen and will it be worthwhile?

PROBATIVE: What problem should be solved?

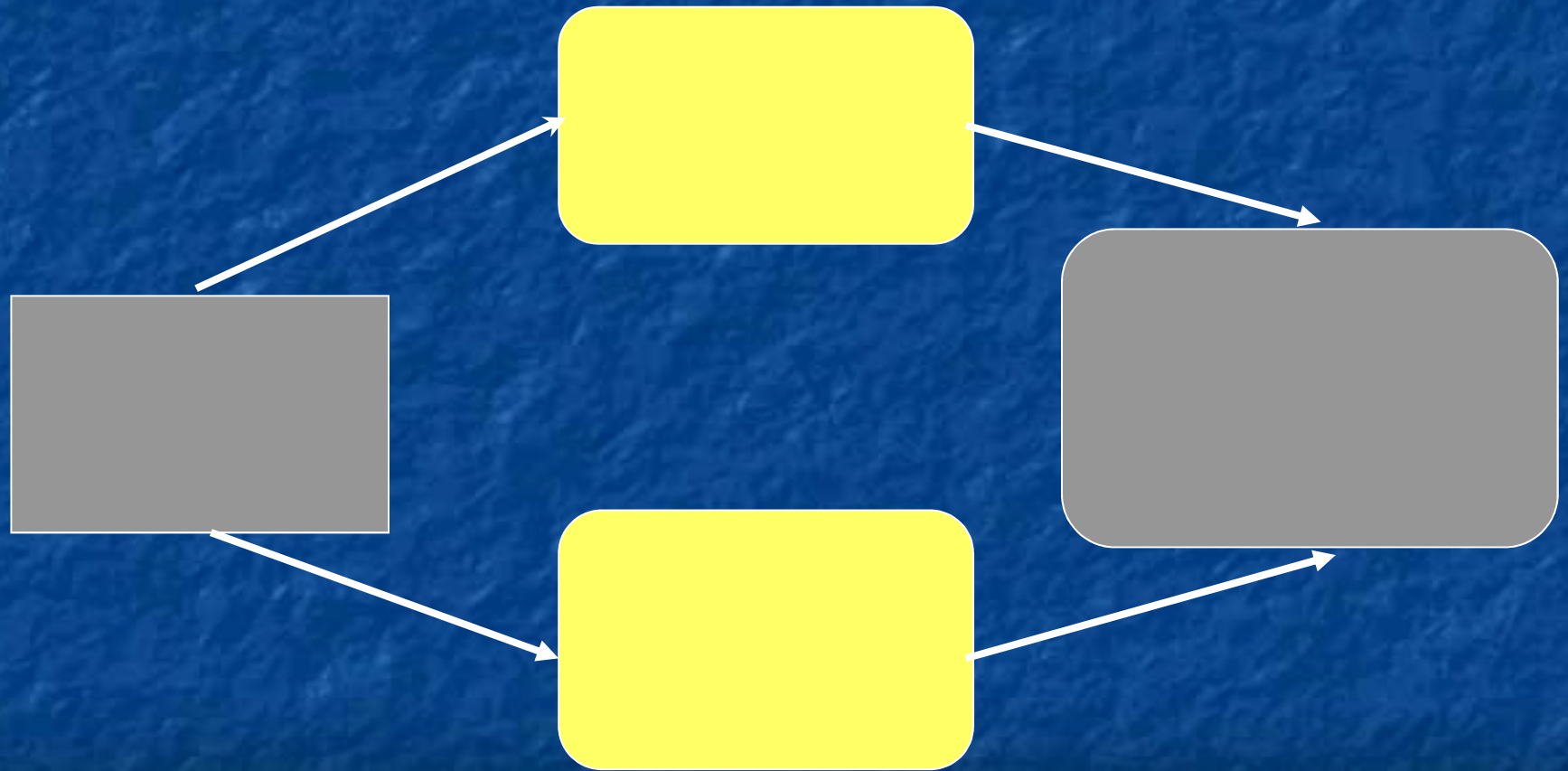
DEMONSTRATIVE: What is the solution to the problem?



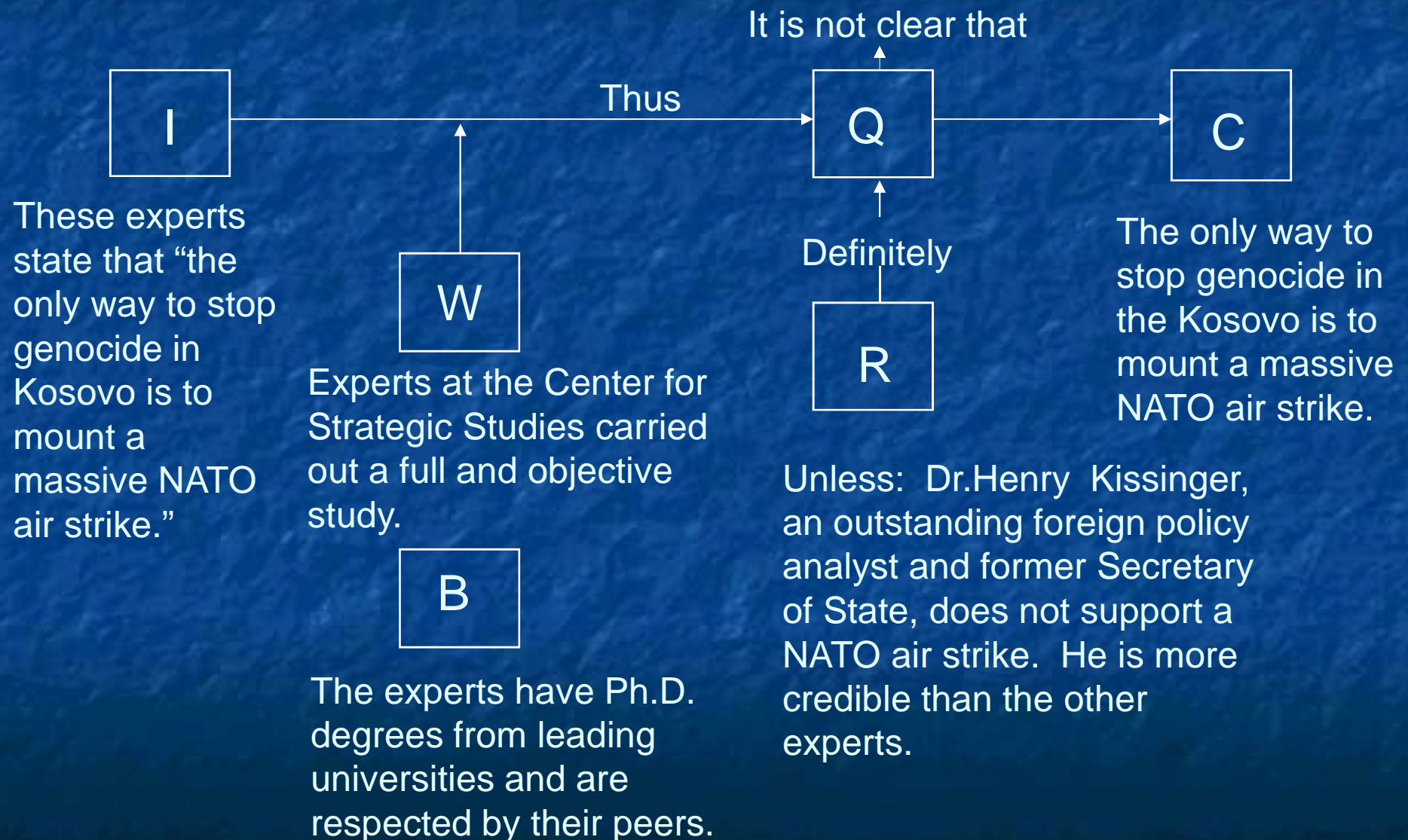
Impact Matrix (Scorecard)

Spreadsheet

Influence Diagram

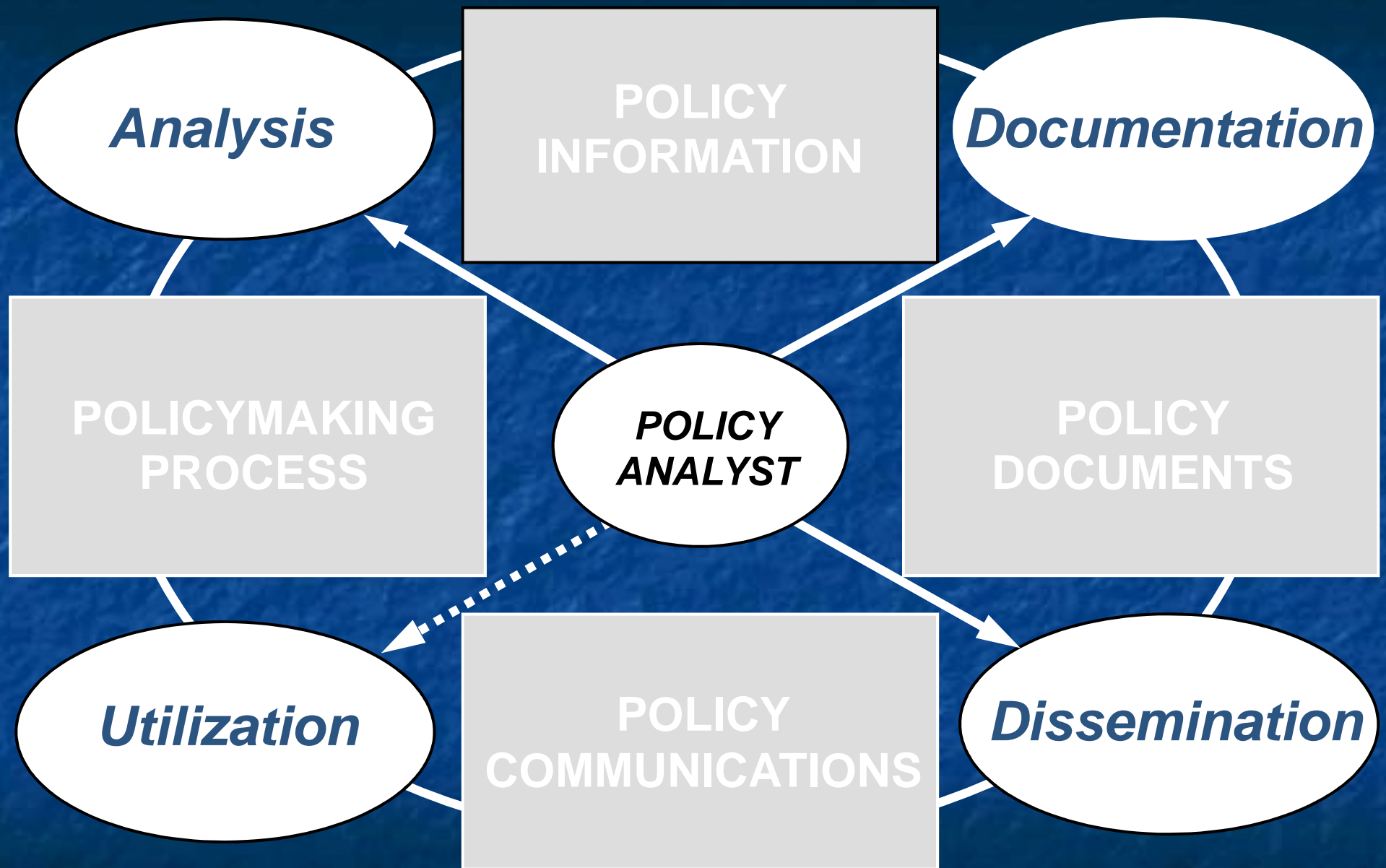


Analysis of Policy Argument



The Role of Policy Analysis In The Policy Process

- Policy agenda setting ← Structuring policy problem
- Policy formulation ← Forecasting policy outcomes
- Policy adoption ← Recommending preferred policy
- Policy implementation ← Monitoring policy outcomes
- Policy evaluation ← Evaluating policy performance
- Policy adaptation ← Recommending adapted policy
- Policy succession ← (Re)commending existing policy
- Policy termination ← Recommending no policy



Factors Influencing the Practice of Policy Analysis

- Cognitive styles
- Analytic roles
- Institutional incentive systems
- Time constraints
- Professional socialization
- Multidisciplinary teamwork
- Organizational cultures
- Political constraints

Three Dimensions of Utilization

