UNDERSTANDING PUBLIC POLICY

Public policy cannot be simply and easily defined. Many analysts of public policy have produced definitions of the essentials. Public policy as a field of study has an interesting history. In many ways, public policy as a field has its origins in the idea of the ‘policy sciences’. Harold Lasswell’s important role in developing the idea of the ‘policy sciences’ and setting out many of its key assumptions and building blocks, including the idea of the steps or stages through which policy should be developed is outlined in Haigh (2012, Chpt 4, 44-55). This background is important to an understanding of the idea of the ‘policy cycle’ to be covered in week 2.

Colebatch (1998) suggests that policy is what governments and the public sector choose to do, or choose not to do. In his view, what is not done is just as important as what is done. Considine (1994) suggests that policy is goal-oriented, purposive action.

In his comprehensive overview of public policy, Parsons (1995) provides a very useful introduction to some of the key concepts. In his view, analysis of public policy proceeds by applying metaphors, models and devices to explore the unknown. Defining terms is critical.

What is Policy?
The idea of ‘policy’ has multifaceted and shifting meanings. Below are a range of meanings and uses which have been applied to the term:

- as a label for a field of activity
- as an expression of general purpose
- as specific proposals
- as decisions of government
- as a theory or model

- as formal authorisation
- as a programme
- as output
- as outcome
- as a process

Notions of the ‘Public’

The idea of ‘public policy’ presupposes that there is a sphere or domain of life which is not private or purely individual, but held in common. Often, the ‘public’ is seen to comprise that dimension of human activity which is regarded as requiring governmental or social regulation or intervention, or at least common action.

Since the time of the ancient Romans, from whom we derive our concept of public and private, there has always been a tension between what is held to be ‘public’ and ‘private’. The separation of the two is never simple and is perhaps impossible. They remain two complex and interdependent spheres. Attempts to resolve this tension and solve the ‘problem’ of this interrelationship continue to dominate contemporary arguments about the role of ‘public policy’.

Early political economists (like Adam Smith and John Stuart Mill) tended to see the private sector as dominated by the ‘market’. Market forces giving maximum space to individual interest would best promote the ‘public interest’. The role of the state and politics was thus to create the conditions in which the market could operate freely with minimal regulation. Private interest was seen as convergent with public interest.

By the late nineteenth century certain kinds of problems were no longer regarded as purely ‘private’ and education, health, housing, welfare, urban planning were seen to belong to a ‘public sphere’ subject to regulation and state activity. Into the twentieth century, new liberal theorists (like John Dewey and John Maynard Keynes) advanced the idea that it was the role of the state to manage the ‘public’ and its problems and to deal with those aspects of social and economic life which markets were no longer capable of solving. This approach to government resulted in the rapid growth of bureaucracy as a form of organization to manage and represent the public interest. During the height of this approach (1950s to 1970s) public policy analysis based upon the ideas of rationality and a rational policy process enjoyed wide influence.

By the 1970s new right liberals (what we would now define as neo-liberals) began to question the ‘public interest’ motivation of bureaucrats and the relationship between the public (state) and private (market) spheres. Public policy solutions pursued in the middle twentieth century were seen to have failed. The market enjoyed a resurgence of being seen as the best means of serving the public interest and new public sector management approaches dominated.
Public/Private Goods

One of the main frameworks for considering the nature of the public sector is the argument that we can analyse the public and the private in terms of ‘goods’. A public good is a good or service which is available to all and is paid for by taxes and borrowing. Pure public goods are those which are produced by the state, rather than the market. Pure private goods are those which are consumed by choice and only consumed by those who can afford to pay for them.

Major Public Policy Frameworks and Approaches

Much thought about how to understand public policy centres on various frameworks providing ways of organizing the understanding of problems thus giving them a form and coherence. A frame involves the notion of constructing a boundary around reality which is shared, or held in common by a group or community. Conflict may occur within the frame or between the frames. When we study public policy we must be aware of how different frames of analysis define and discuss problems, and how these frames clash, converge and shift.

Parsons identifies seven distinct frameworks which provide individual perspectives on public policy. These frameworks are not discrete, and often provide the greatest insights at the points at which they overlap.

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<tr>
<th>Framework</th>
<th>Derivation</th>
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<td>welfare economics</td>
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## Types of Frameworks

Frameworks may be viewed as having different aims or purposes, although in practice these may be somewhat confused and may overlap.

1. **Explanatory frameworks** - these endeavour to show how something happens the way it does (eg. ‘stagist’ or policy-cycle models, causal models)

2. **Ideal-type frameworks** - these set out the defining characteristics of a phenomenon (eg. Weber’s bureaucratic model)

3. **Normative frameworks** - these set out what conditions or arrangements ought to exist if given goals are to be attained (eg. market models)
Althaus, Bridgman and Davis’s Framework

In their widely influential Australian-focused text on the essentials of good public policy-making, Althaus, Bridgman and Davis define a framework that mixes explanatory, ideal-type and normative arguments.

On the purposes of public policy, they argue that it is a means to ensure that politicians make a difference; an instrument for the exercise of effective governance; and the means to direct public resources in some ways but not in others. Public policy ‘is the outcome of the competition between ideas, interests and ideologies that impels our political system.’

For them, public policy-making entails the interaction between ‘particulars and constants’:

- ‘policy is too much shaped by the particular problem it addresses and a by a rich constellation of laws, budgets, and political circumstance to be reduced to immutable rules’; but
- ‘there are constants in good policy making
  1. an intellectual rigour about issues,
  2. a commitment to procedural integrity, and
  3. a willingness to experiment and learn through implementation and adaptation’

Saying the same thing another way, public policy:

- is intentional or designed to achieve a stated or understood purpose
- involves decisions and their consequences
- is structured and orderly
- is political in nature
- is dynamic

Althaus, Bridgman and Davis offer three other conceptions of policy that each has their own implications for central aspects of the public policy-making task:

1. **Policy as authoritative choice** - Amid chaos and the complexity of rival interests and ideas, and in the context of the legacy of past policy-decisions,
policy-making entails the exercise of power by governments. Policy decisions are authoritative because they are made by people with legitimate power in our system of government.

2. **Policy as hypothesis** - Policies are built on theories about the world and models of cause and effect. They must make assumptions about behaviour and they contain incentives that encourage one behaviour over another, or disincentives to discourage particular actions. This aspect raises the issue of uncertainty in the creation of policy and in the achievement of policy objectives. Policy makers learn by finding and correcting errors in policy assumptions and designs, drawing lessons from policy experience and applying those lessons in the next turn through the policy cycle.

3. **Policy as objective** - Public policy is ultimately about achieving objectives and the policy process must help decision-makers clarify their objectives. A policy without purpose serves no purpose. Policies must be linked to goals that are attached to the wider purposes of government activity and have clear and stated objectives.

The intentional, rational and ordered aspects of public policy are always in tension with the political climate surrounding the process and the impact of a dynamic, changing environment. Some commentators go so far as to suggest that politics is the predominant driving factor: ‘Given that many policy decisions cannot be resolved purely by means of rational analysis due to the incommensurability of different criteria of rationality, we find that the criterion which ultimately prevails is the political one’ (Matheson, 1997).

**Markets, Hierarchies and Networks**

Another way to understand public policy is on the basis of the essential explanatory and normative arguments and assumptions at work in the different institutional contexts within which it is developed and pursued. Public policy does not spontaneously appear from the ether. It emerges in very specific contexts and circumstances which involve political structures, institutions, organisations and a myriad of participants. Societies have developed detailed societal structures and frameworks for organising and managing their operation.

A frequently used framework is that of viewing different organisational approaches in terms of three models: markets; hierarchies; and networks. These define three different approaches to the study of ‘social coordination’. Colebatch and Larmour (1993) prefer to use the terms ‘bureaucratic’ for hierarchy, and ‘community’ to
include the concept of network. They argue that the organising principles of each model are:

- incentives and prices for the ‘market’ model
- rules, authority and hierarchy for the ‘bureaucratic’ model
- norms, values, affiliations and networks for the ‘community’ model

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<th>Organisational Model</th>
<th>Characteristics</th>
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| Bureaucracy           | • unitary organisation  
                         | • uniformity of norms and values  
                         | • perfect obedience  
                         | • full information  
                         | • time to consider |
| Community             | • common beliefs and values  
                         | • direct, many-sided relationships  
                         | • reciprocity  
                         | • threats of self-help retaliation  
                         | • use of gossip, shaming and supernatural sanctions |
| Market                | • many buyers and sellers  
                         | • they know what they want  
                         | • they can pay for it  
                         | • they can act independently  
                         | • they are free to enter and exit  
                         | • information is freely available  
                         | • no costs in making and keeping arrangements |

(adapted from Colebatch & Larmour, 1993 by Parsons, 1995, p. 63).
Parsons (1995, 64) suggests these concepts may also be used to account for changing forms of policy-making and governance. ‘We may, for instance, read the development of public policy-making in terms of ‘bureaucracy’ as a response to market failure, and the growth of ‘market’-based public policy as a response to the perceived failure of bureaucratic models of public policy-making and implementation. Network forms may be interpreted as a manifestation of a ‘post-modern’ capitalism, and a growing complexity in patterns of policy-making. ‘Community’ forms of organisation may be seen as alternatives to both market and hierarchical forms of public policy.’

Reflecting this institutional diversity, Parsons also argues that the focus of public policy analysis has shifted over the years to the extent that the subject is far more methodologically and philosophically diverse than it was in the past. He points to three influential trends:

**Disillusionment with Positivism**

Positivism was an approach which advocated the application of science to human affairs and was based on the notion that facts (or the ‘real’) could be subjected to empirical investigation separate from the realm of the values and purposes of human endeavour. Early policy approaches were rooted in the assumptions of positivism and embraced its aura of science and objectivity. Thomas Kuhn was an early critic of scientific claims of objectivity and suggested instead that scientific theories are paradigms imbued with attendant normative assumptions. Without a positivist foundation, public policy cannot be argued to be ‘right’ or ‘wrong’ and strong notions of the rationality of the policy process were increasingly questioned. Old certainties about the uses and status of facts and theories began to look less and less sustainable. Building on the work of post-positivist theorists such as Habermas and Foucault, public policy has been increasingly informed by theories which stress the need to analyse politics and policy as modes of discourse which structure reality. Modern theorists suggest that there are no fundamental laws or constants in the universe, that no one theory is adequate to explain complex processes and those we need to accept a more pluralistic approach to models and theories. The analysis of public policy therefore involves an appreciation of the network of ideas, concepts and words which form the world of explanation within which policy-making and analysis takes place.

**Enthusiasm for Markets and Management**

Policy analysis and management have been closely aligned since the 1960s, linked by a shared emphasis on public and government decisions and how they are made. Initially the emphasis was on public power and inputs to the decision-making process - questions of who makes decisions, who has access to the process and how the process can be improved were largely seen as a legitimate government purposes. By the
1970s, the decisional/input paradigm gave way to a new focus on implementation and the emphasis shifted to an examination of the bureaucratic process and its levels of efficiency and efficacy. By the 1980s, public choice theory began to suggest that bureaucratic intervention made problems worse, an outlook that was embraced by the Reagan and Thatcher administrations as a rationale to support radical downsizing of government. The market re-emerged as the most efficient means of decision-making and market economic theories became a core public policy theory. At the same time models and techniques developed in the private sector were adopted and used to analyse and reform the public sector. Public administration became public management.

New Models of the Policy Process

The belief that bureaucratic pyramidal hierarchies were no longer adequate to the task of policy-making in modern society has not been confined to those who advocate normative theories of markets as more effective and efficient than government. Post-positivist theorists seeking to explain how modern policy-making actually works became equally disenchanted with structural models based on the relationship between government, administration and interest groups. Since the 1980s new approaches have emerged which utilize metaphors of policy ‘networks’ and ‘communities’. Other theorists have resurrected interest in institutional behaviour and the role that institutions play in shaping policy-making and policy outcomes.

What is Good Public Policy-Making?

The final issue for this introduction is to briefly explore the question of how we might discern good policy-making - at least as a process. Some answers have been suggested in the recent Australian debates.

For Althaus, Bridgman and Davis

- Clarity about objectives and the means of their achievement
- Realistic and deflatable means of attaining that clarity
- Care about unintended consequences

For Curtain

- Policy is about determining objectives or societal goals. Policy has to be:
  - effective in achieving its goals
  - efficient - producing the greatest benefit at the least possible cost
- Policy-making should entail a close attention to process:
it must give end users and consumers ample opportunity to participate in the policy-making and policy-delivery process
there should be consultation with those targeted by the policy, experts outside government and with those who are to implement the policy

- Policy must have a forward-looking orientation:
  - looking beyond current activities and programs
  - improving and extending the capacity for contingency planning
  - learning lessons from other countries

- Policy should be outcome-focussed - how will policy deliver changes in the real world?

- Policy should be inclusive and take full account of the needs and experience of all those likely to be affected by policy

- Policy-making should involve a careful appraisal of costs and benefits

- Overall, good policy is based on learning from experience
  - a process of continuous learning, not a series of one-off isolated initiatives
  - should make use of evidence and research about the problems being addressed
  - pilot schemes should be used to encourage innovation.
What makes good policy?

Think about the following characteristics. Which ones do you think are the most important for public policy?

- appropriate
- effective
- equitable
- consistent
- targeted
- comprehensible
- efficient
- cost-effective
- supported
- flexible
- comprehensive
- sustainable
References


