RATIONALITY AND POLICY ANALYSIS

The Enlightenment notion that the world is full of puzzles and problems which, through the application of human reason and knowledge, can be solved forms the background to the growth of public policy analysis, in particular the search for more informed decision-making processes and ways to make policy choices more rational. As Parsons argues:

‘The idea of rationality has been central to the theory and practice of decision-making in the post war era. Models of decision-making which focus on rationality argue that, if we wish to understand the real world of decision, we must consider the extent to which a decision has been the outcome of rational processes’ (Parsons, 1995, p. 273).

From the 1950s, concepts from fields such as sociology, psychology, political science, social administration, management and the natural sciences were being applied to policy analysis. Harold Lasswell wrote an influential work which established the concept of ‘policy sciences’. He suggested that policy sciences were contextual, multi-method and problem-oriented and could be applied in terms of knowledge in and for the policy process and knowledge of the policy formation and implementation process. He also made early attempts to formulate a ‘stagist’ model of the policy process. New applied methods of investigation and analysis for policy processes emerged - government was seen to be able to engineer rational cures to societal ills.

Thereafter, commentators (including Herbert Simon, Charles Lindblom and David Easton) began to question the feasibility of purely ‘rational’ approaches and suggested that policy processes and decision-making were far too complex and contextual to be amenable to simplistic step-by-step logical solutions. They argued that the large number of players in the political system, and the linkages between policy making and the wider environment made the process of policy analysis complex.

Simon’s Bounded Rationality Model

In 1957, Simon pointed out the limitations of a purely rational approach. He recognized that it is not possible for a decision-maker to analyse all of the information and options when considering a problem. The best that could be achieved would be a satisfactory outcome as opposed to an outcome which is the maximum or optimal result. Decision-makers can be concerned only with a compromise of values and goals or what he termed ‘satisficing’. This theory of ‘bounded rationality’ informed ongoing debates in the field and set the scene for the search for a prescriptive technique for a rational comprehensive model.
Lindblom’s Incrementalist Model

In 1959, Lindblom produced a highly influential work entitled ‘The science of muddling through’ which introduced his theory of incrementalism. This theory reasserted Simon’s view that rationality in policy making assumes that policy makers have time, capacity and information that simply don’t exist. While rationality may be a feasible process for some simple problems, it is virtually useless in attempting to solve complex problems.

Lindblom argued that even though logic is not always possible it is often espoused in theory (a rational-comprehensive model) while the reality of administration is more of a process of ‘muddling through’ problems and using value judgments to limit options.

He believed that a rational comprehensive model - what he called the Root Method which - as a ‘best’ way blueprint or model, was not workable for complex policy questions. As an alternative he proposed what he called the Branch Method, or method of ‘limited successive comparisons’.

Source: Parsons, 1995, p. 276
For Lindblom, the test of whether a policy is good or not is whether there is agreement on the policy itself, even when there is not agreement on the values. People may not agree on the criteria for settling a dispute but can agree on specific proposals. The test of a good policy is not if it is rational, but if it is acceptable to participants. Agreement on policy thus becomes the only practicable test of the policy’s correctness.

Since Lindblom saw the search for one conclusive theory of decision-making and rational-comprehensiveness as impossible, he believed that the best way to create policy was to limit consideration of options to policies without basic differences from existing policies, leading to a process of incremental change and adjustment. Choice is narrowed to values which will make a small difference in outcome, and the rough process of fragmented decision-making (incorporating a wider variety of interests in an evolutionary process) leads to the avoidance of serious lasting mistakes and enables incremental change.

By 1979, Lindblom had modified his views in response to critics and responded by calling for new and better muddling, refining his original ideas to incorporate what he termed strategic analysis and disjointed incrementalism. Both of these
elements added some levels of rational analysis to the process of muddling through. He recognized a need for an informed and thoughtful variety of simplifying stratagems and a new focus on fixing problems not setting ideals, on addressing identifiable ills, not pursuing abstract ends. Incrementalism Mark Two should aim to ameliorate problems not to achieve the ideal future state.

Lindblom acknowledged that his theory was open to criticism on the grounds that it lacked provision for political direction on big policy issues and big problems. In response, he asserted that small steps work in democracy and that big change can come through rapid numbers of small steps. He did, however, acknowledge that considering the bigger picture beyond policy and its processes would strengthen the process. Incremental analysis could be supplemented by ‘broad ranging, often highly speculative, and sometimes utopian thinking about directions and possible features, near and far in time’ (Lindblom, 1979, p. 522).

Lindblom’s ‘muddling through’ theory sparked wide-ranging responses. In particular, the theory was criticized for it’s propensity to maintain the status quo, to favour elites in the decision-making process and it’s limitations in allowing consideration of big picture issues.

Dror saw incrementalism as having a conservative basis and acting as an ideological reinforcement of pro-inertia and anti-innovation forces. In his view, incrementalism only works in situations of social stability and won’t work for social change. He posits a ‘normative optimum model’, combining realism and idealism which would require the use of extra rational methods of judgment, creative invention and brainstorming plus rational methods of selective review of options.

Etzioni suggested that what was needed was a middle way between rationality and incrementalism and presented ‘mixed scanning model’. In this model, he makes a distinction between fundamental decisions and incremental, or bit, decisions. Fundamental decisions set basic directions and provide the context for incremental decisions. He presents mixed scanning as a process of taking a broad review of the field of decision which, along with detailed exploration of options, enables
consideration of longer-run alternatives which form fundamental decisions. Then incremental options can be explored to deliver desired ends.

According to Parsons, Etzioni suggests that the testing of reality is a collective social process. In an ‘active society’ people, through social collectives, can become more knowledgeable about themselves and better able to transform society through an authentic and open public policy process. In this way, the aim of public policy is ultimately to promote a society in which political action and intellectual reflection would have a higher, more public status.

The Return of Rationality

Davis et. al. (1993) suggest that rationality re-emerged in the 1970s and 1980s in public choice and strategic management models. Public choice models take an economic view linking cause and effect, and assume that regulation is captured by interest groups, bureaucracy is self-serving and that state intervention will fail because it can’t satisfy a range of policy preferences. In this climate, self-interest was seen as the primary basis for organization and there was a push was for smaller government.

The dominant framework for considering public policy and decision-making became the argument that the demarcation between the public and private spheres should be left to markets. This led to the rise of public sector management and a new emphasis on economic rationalism with market solutions to be preferred over regulation as a policy instrument.

With the related emphasis on strategic management, government was required to set clearly articulated goals and translate them into concise objectives supported by appropriate machinery. The role of government in this new context was to provide direction, purpose and vision and to achieve this through the use of new rational economic tools such as cost-benefit analysis and operational research.

In this context, policy-making encompasses not only goal setting, decision making, and formulation of political strategies, but also supervision of policy planning, resource allocation, operations management, program evaluation and efforts at communication, argument and persuasion. Some describe managerialism as rationality with stages that implies the possibility of a perfect system. It involves cost-benefit analysis, systems analysis and program budgeting with a focus on economics, efficiency and information.

Matheson presents a rational decision-making process based on three types of premises - technical, economic and political. For him, decision-making equals problem solving in a process where problems are modeled on past experience and then simplified allowing solutions to be narrowed down. Like Lindblom, however, Matheson acknowledges that limited information, uncertainly of likely outcomes and conflicting goals limit the policy making process to one of bounded rationality, limited by past experience.

Instead, he suggests that decisions are based on norms, habit and intuition, routine and precedent rather than conscious deliberation. Simple progressions of
identifying the problem, exploring a range of solutions and selecting a decision rarely occur, although these elements are often present in real life processes. Purely rational decision-making is a chimera, since there is no ultimate criterion of rationality.

The Critics of Rationality

Many commentators have recognized that rationality is simply unrealistic. In the real world, the process of decision and policy-making is bound up with politics and the inherent messiness of politics militates against the naïve belief that decision-making can somehow be made more rational.

Ham and Hill (1993) argue that rationality is prescriptive. Rationality is making a decision between alternatives to create purposive behaviour which maximizes decision makers values based on comprehensive analysis of alternatives. They support Simon’s view of bounded rationality – that decisions can be ‘good enough’.

Minogue (1993) sees that interaction is central to the policy making process and that rationality falsifies reality. For him, policy science is rigorous rationality aiming for better policies which are better administered. However, he sees that better management will always be subordinate to creating better politics and policy and sees policy analysis as about defining problems rather than offering handy solutions.

‘Public policies might more usefully, be described as social experiments; experiments moreover, distinguished by guesswork rather than scientific method’ (Minogue, 1993).

Problems are not so much solved in a rational way as succeeded and replaced by other problems.

Parsons sums up the debate well.

‘In the real world, decision-making problems have been recognized as ill-structured, complex, messy and ‘wicked’ rather than ‘tame’ and full of uncertainty and conflict’ (Parsons, 1995, p. 425-426).
References


