PUBLIC POLICY ANALYSIS AN INTEGRATED APPROACH (METHODOLOGY OF POLICY ANALYSIS)

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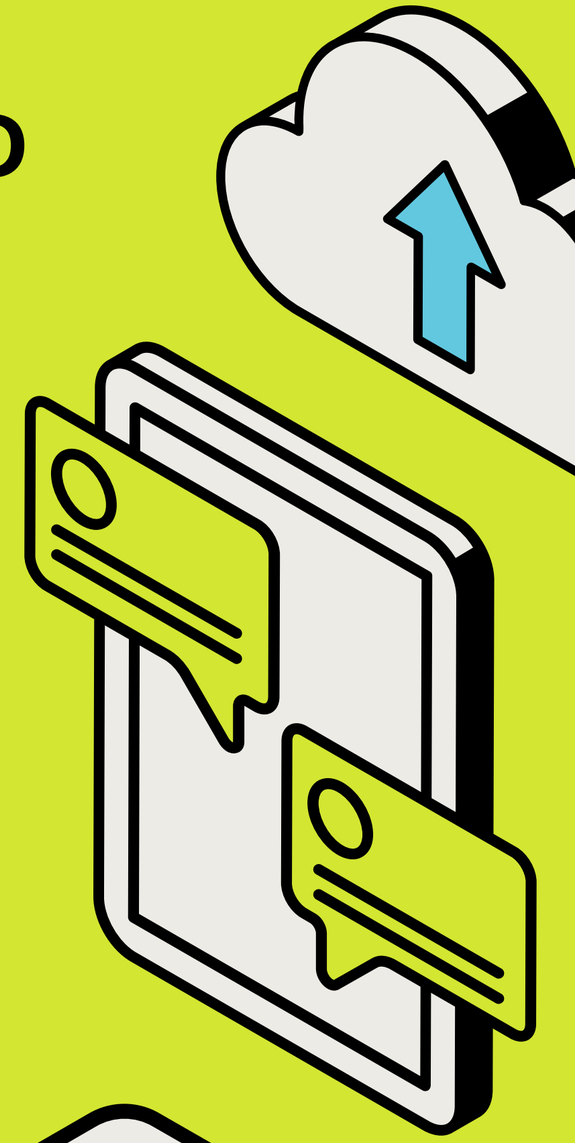

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CHAPTER I

THE PROCESS OF POLICY ANALYSIS

Policy analysis is a process of multidisciplinary inquiry that aims to create, critically appraise, and communicate knowledge relevant to a policy.

Methodology of Policy Inquiry

In analyzing a policy, a methodology is needed, which is a system of standards, rules, and procedures for creating critical inquiry and communicating information and knowledge relevant to the policy.

There are two methodologies in policy analysis, namely Descriptive and Normative.

The policy analysis methodology should provide information that can answer these five questions:

1. What is the nature of the problem?
2. What are the expected policy outcomes?
3. What policies were chosen to address the problem and what were the results?
4. What policy outcomes were observed and what were the results?
5. To what extent has policy performance been achieved?

The answers to these questions yield policy-relevant information:

1	**Policy Problem** A policy problem is a representation of a problem situation. Knowledge of the policy problem plays an important role in policy analysis, as the way the problem is defined will determine the identification of available solutions.
2	**Expected Policy Outcome** Expected policy outcomes are likely consequences of adopting one or more policy alternatives designed to solve a problem. Knowledge about expected policy outcomes is not “given” by the existing situation.
3	**Preferred Policy** A preferred policy is a potential solution to a problem. To select a preferred policy, it is necessary to have knowledge about expected policy outcomes as well as knowledge about the value or utility of the expected outcomes.
4	**Observed Policy Outcome** An observed policy outcome is a present or past consequence of implementing a preferred policy. Knowledge about observed policy outcomes can be produced after policies have been implemented.
5	**Policy Performance** To know whether a problem has been solved, requires knowledge about observed policy outcomes, as well as knowledge about the extent to which these outcomes contribute to the valued opportunities for improvement that gave rise to a problem.

Knowledge Transformations

In the context of policy and knowledge transformation, there are five types of knowledge that are interdependent on each other, as described in Figure 1.1. Knowledge transformation occurs through straight lines connecting each pair of components. This shows that knowledge can change from one type to another, and knowledge creation at each point depends on the knowledge generated at the previous stage. This dependency underlies the assessment of policy effectiveness due to the assumption that existing knowledge can be relied upon to assess policy outcomes. Keep in mind that knowledge transformation is iterative and rarely linear in its process.

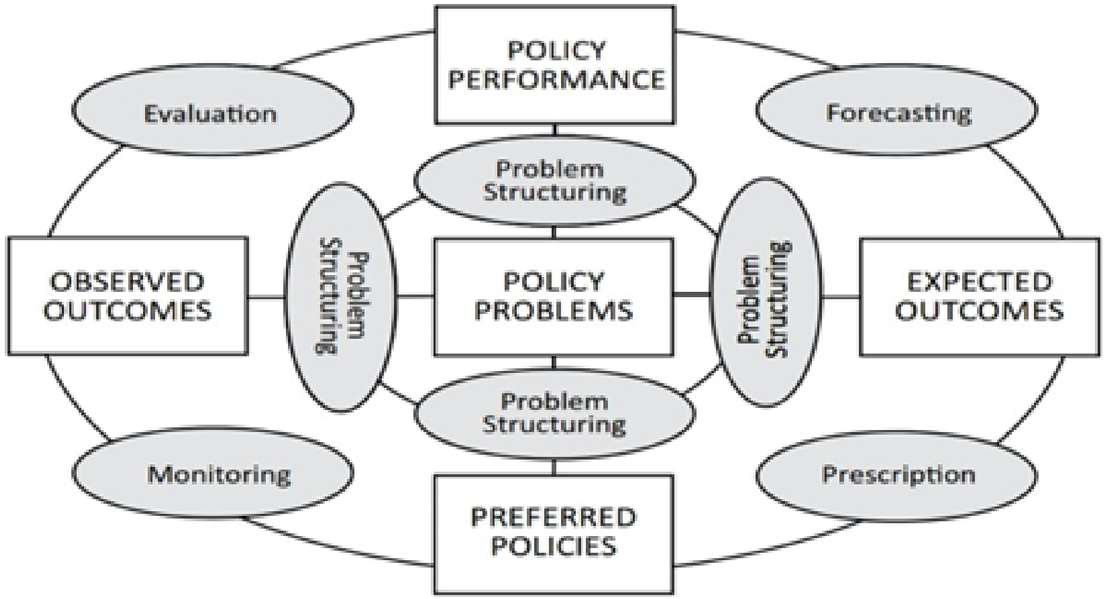
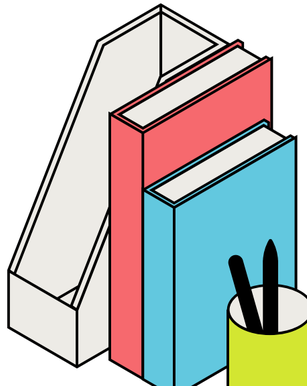


FIGURE 1.1
Multidisciplinary Policy Analysis



FORM OF POLICY ANALYSIS

Prospective and Retrospective Analysis

Prospective policy analysis involves the production and transformation of knowledge before prescriptions are made. Prospective analysis, typifies the operating styles of economists, systems analysts, operations researchers, and decision analysts. The prospective form of analysis is what Williams means by policy analysis. implemented Retrospective analysis characterizes the operating styles of several groups of analysts:

·Discipline-oriented analysts

This group consists mainly of political scientists, economists and sociologists who seek to develop and test discipline-based theories about the causes and consequences of policies. This group of analysis does not attempt to identify the goals and objectives of why a policy is made.

·Problem-oriented analysts.

This analysis explains the causes and consequences of policies. This group of analysis is less concerned with developing and testing theories, but rather with identifying variables that policymakers can manipulate to address a problem.

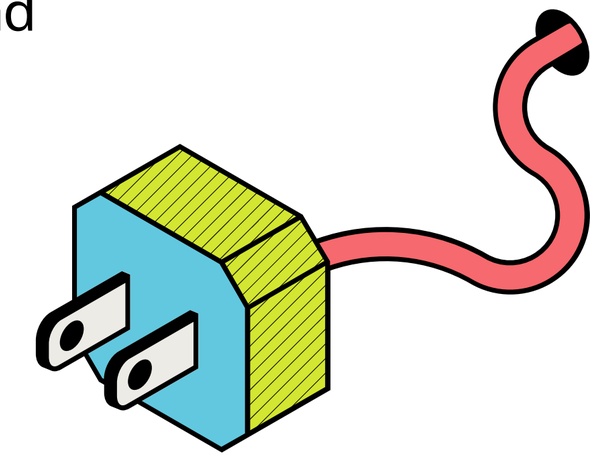
·Applications-oriented analyst

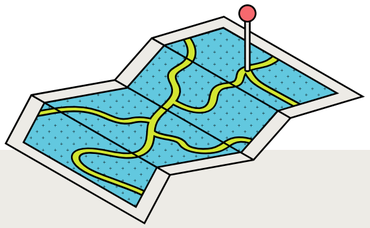
This group of analysis also seeks to explain the causes and consequences of public policies and programs, but does not develop and test basic theories. This group pays attention to policy variables and identifies the goals and objectives of policymakers.

Descriptive and Normative Analysis

Descriptive theories and conceptual frameworks tend to originate in political science, sociology, and economics. The main function of these theories and frameworks is to explain, understand, and predict policies by identifying patterns of causality, also known as causal mechanisms.

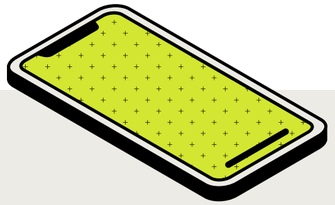
Normative policy analysis parallels normative decision theory, which refers to a set of logically consistent propositions that evaluate or prescribe action One of the most important features of normative policy analysis is that its propositions rest on values such as efficiency, effectiveness, equity, responsiveness, liberty, enlightenment, and security.





Problem Structuring and Problem Solving

Problem structuring procedures are designed to identify elements that fall under the problem definition, but not to identify solutions. Problem solving methods, on the other hand, are designed to solve problems, not to structure problems. Problem solving is inherently technical, in contrast to problem structuring which is inherently conceptual. Problem solving techniques include techniques such as cost-benefit analysis and econometric forecasting and problems must be well organized in order to be solved.



Integrated and Segmented Analysis

This integrated policy analysis framework helps assess the assumptions, strengths and limitations of methods used in highly specialized disciplines that are difficult to apply to practical problem solving. The framework identifies different types of policy analysis; prospective (ex ante) and retrospective (ex post), descriptive and normative, as well as problem structuring and problem solving.

THE PRACTICE OF POLICY ANALYSIS

Variation from best practices depends on a number of factors including the personal characteristics of analysts, their professional socialization, and the institutional settings in which they work.

1	·Cognitive styles.	4	·Institutional time constraints.
2	·Analytic roles.	5	·Professional socialization
3	·Institutional incentive systems.	6	·Multidisciplinary teamwork.

Methodological Opportunity Costs

Integrated analysis has opportunity costs. Given limited time and resources, it is difficult to conduct systematic economic, political, and organizational analyses simultaneously.

Multiple triangulation, or what Cook calls critical multiplicism, addresses some of these shortcomings. The advantage of critical multiplicism over logical positivism is that it provides better estimates of what is true by using procedures that triangulate multiple points of view on what needs to be known and what is known about policy. The disadvantage of multiplicism lies in its cost. Triangulation among multiple perspectives, along with the use of multiple methods, measures, and data sources, involves significant opportunity costs.

CRITICAL THINKING AND PUBLIC POLICY

Policy analysis is complex and requires critical thinking. One method available is the analysis of policy arguments. By analyzing policy arguments, we can identify and probe the assumptions underlying competing policy claims, recognize and evaluate objections to these claims, and synthesize knowledge from different sources.

The Structure of Policy Arguments

Policy arguments are the main vehicle for carrying debates about public policies. Whether in written or oral form, argument is central to all stages of the policy process." The structure of a policy argument can be represented as a set of seven elements.

1	·**Policy claim (C).** A policy claim is the conclusion of a policy argument. There are four types of policy claims: definitional, descriptive, evaluative and advocative.
2	·**Policy-relevant knowledge (K).** Policy-relevant knowledge provides the grounds for a policy claim. These grounds may be statistical data, experimental findings, expert testimony, or common sense.
3	·**Warrant (W).** The warrant is a reason to support a claim. Warrants may be economic theories, ethical principles, political ideas, or professional authority.
4	·**Qualifier (Q).** The qualifier expresses the degree to which a claim is approximately true, given the strength of the knowledge, warrants, backings, objections, and rebuttals.
5	·**Backing (B).** The backing is an additional reason to support or “back up” the war- rant.
6	·**Objection (O).** An objection opposes or challenges the knowledge, warrant, back- ing, or qualifier by identifying special conditions or exceptions that reduce confidence in the truth of the knowledge, warrant, backing, or qualifier.
7	·**Rebuttal (R).** A rebuttal is an objection to an objection. Rebuttals oppose or chal- lenge objections by identifying special conditions or exceptions that reduce confi-dence in the truth of the objection.

CHAPTER II

Policy Analysis in the Policymaking Process

Introduction

Policy analysts create, critically assess, and communicate knowledge about and in the policymaking process. The distinction between about and in marks an essential difference between policy analysis, on one hand, and political science and economics, disciplines that specialize in developing and testing empirically theories about policymaking. Although some members of these disciplines work on practical problems facing policymakers, the majority are motivated by incentive systems that demand the production of knowledge for its own sake. By contrast, policy analysts work under incentives designed to promote practical knowledge—typically, knowledge of what works.

The Historical Context

In a broad sense, policy analysis is as old as civilization itself. It includes diverse forms of inquiry, from mysticism and the occult to modern science. Etymologically, the term policy comes from the Greek, Sanskrit, and Latin languages. The Greek polis (city-state) and Sanskrit pur (city) evolved into the Latin politia (state) and later into the Middle English policie. The latter referred to the conduct of public affairs or the administration of the state. The etymological origins of the word policy are the same for two other important words: police and politics. These multiple connotations are found in Germanic and Slavic languages, which have only one word (Politik, politika) to refer to both policy and politics.

Early Origins

The term policy analysis need not be restricted to its contemporary meaning, where analysis refers to breaking problems into basic elements or parts, much as we disassemble a clock or a vehicle. This is the sense of “analysis” when the term is used to speak about the decomposition of a decision into options, alternatives, and outcomes. A related view is that policy analysis is a collection of quantitative techniques used by systems analysts, decision analysts, and economists to examine the likelihood and utility of policy outcomes.

Understood in a wider sense, however, policy analysis may be seen to have emerged at some point in the evolution of human societies where practical knowledge was consciously cultivated, thereby prompting a self-reflective examination of links between knowledge and action. The development of specialized procedures for analyzing policies was related to the emergence of urban civilization out of scattered and largely autonomous tribal and folk societies. As a specialized activity, policy analysis followed changes in social and, above all, political organization that accompanied new production technologies and stable patterns of human settlement.

The Nineteenth-Century Transformation

In nineteenth-century Europe, producers of policy-relevant knowledge began to base their work on the systematic recording of empirical data. Earlier, philosophers and statesmen had offered explanations of policymaking and its role in society. Yet for several thousand years, there was an essential continuity in methods for investigating and solving social, economic, and political problems. If evidence for a particular point of view was provided, it was typically based on appeals to religious authority, ritual, or philosophical doctrine. What was new in the nineteenth century was a basic change in the procedures used to understand society and its problems, a change reflected in the growth of empirical, quantitative, and policy-oriented research.

Twentieth-Century Professionalization

An important feature of the twentieth century, as compared with the nineteenth, is the professionalization of the social and behavioral sciences. Twentieth-century producers of policy-relevant knowledge were no longer the heterogeneous group of bankers, industrialists, journalists, and university professors who coalesced around the early statistical societies. Rather, they were graduates with first and advanced degrees in policy-relevant disciplines and professions. Along with some of their professors, they occupied influential positions in government, working as consultants or researchers under contracts and grants. In background, experience, and qualifications, they were members of established professions that were guided by generally accepted scientific and professional standards.

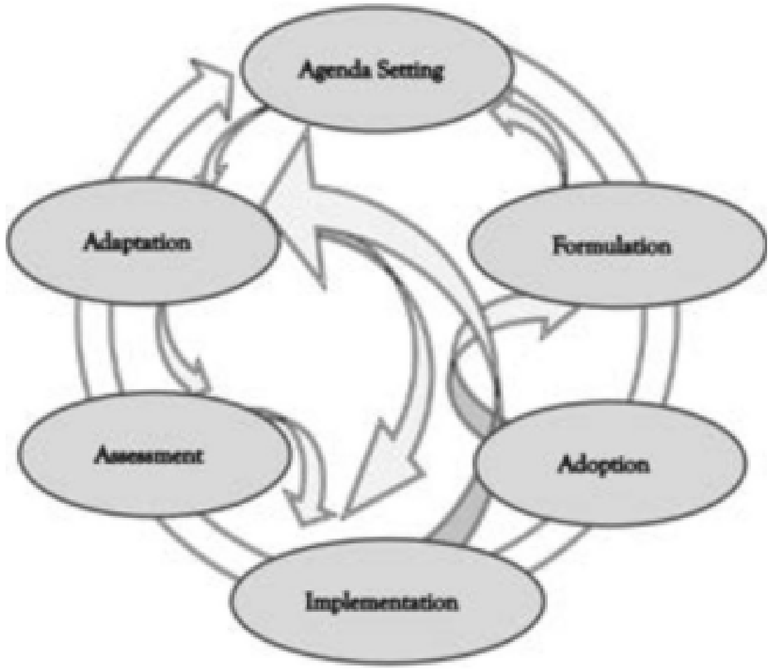
THE ERA OF EVIDENCE-BASED POLICY

In the first decade of this century, there was widespread recognition that various policy issues, such as energy, environment, health, welfare, security, justice, and economic development, are increasingly interconnected and increasing in complexity. The development of a systemic vision of these interdependencies plays an important role. A systems perspective requires a broad view rather than simply examining individual components, and can assist in forecasting the consequences of actions, the impact of interventions, and policy priorities. However, the often invisible influences of ideology, religion and politics can affect the understanding of failed policies. Evidence-based policy attempts to address this complexity by focusing on the causality between policies and their outcomes over multiple time horizons.

THE POLICY MAKING PROCESS

The policy science movement, founded by Harold D. Lasswell, emphasized the importance of the relationship between social science and policymaking. Lasswell and his collaborator, Myers S. McDougall, developed policy science by dividing it into three components: contextuality, problem orientation, and methodological diversity.

They described the decision process as seven sequential functions, which are based on the coercive and persuasive power of government. These functions are Intelligence, Promotion, Prescription, Invocation, Application, Termination, and Assessment.



Policy making in Lasswell's view is the process of making authoritative decisions about the production and distribution of value in society. It emphasizes the importance of decision-making and choice in achieving goals, rather than simply applying automatic inductive or deductive rules. The policy-making process involves seven stages: agenda setting, policy formulation, policy adoption, policy implementation, policy communication, policy evaluation, and policy adaptation.

MODELS OF POLICY CHANGE

structures are as important as the processes they seek to represent. Conceptual models, which are particular types of intellectual structures, are critical to understanding the policy-making process. These conceptual models, which are often based on metaphors such as garbage cans, organized anarchy and primordial soup, structure the ways in which we think about and explain the policy-making process.

The Comprehensive Rationality Model

The comprehensive rationality model explains decision-making as an effort to achieve economic efficiency. Rational economic actors, or homo economicus, consider the costs and benefits of alternatives, focusing on the efficient use of resources. The basic propositions of this model are:

- Specify an exhaustive set of alternatives on which there is sufficient consensus to act on behalf of others.
- Identify objectives for each alternative.
- Forecast the consequences of selecting each alternative.
- Specify and rank transitively alternatives that best achieve objectives.
- Choose the alternative that maximizes the attainment of objectives.

There is another version of rational choice that incorporates institutional transaction costs and political, social, or ethical considerations (homo politicus), and recognizes limitations in the knowledge and computational ability of decision makers.

Second-Best Rationality

An important critique of the comprehensive economic rationality model is Arrow's impossibility theorem, which provides an alternative explanation of the policy-making process. This theorem states that it is impossible for decision-makers in a democratic society to fulfill the requirements of comprehensive economic rationality. It is impossible to make a single best choice by combining individual rational choices through majority voting.

Arrow's theorem proves that it is impossible to apply democratic procedures to reach a transitive collective decision. This violates several "reasonable conditions" in democratic procedures, such as no restriction of choice, no deviation of collective choice, independence of irrelevant alternatives, sovereignty of citizens, and non-dictatorial sovereignty.

To address the problem of intransitive preferences, collective choice can be delegated to specific decision-makers or introduce additional alternatives. However, both of these approaches violate some basic democratic conditions. This often results in what is referred to as the "second best decision" in the practice of majority-based political systems.

Disjointed Incrementalism

The disjointed–incremental model holds that the comprehensive economic rationality model is unworkable as an explanation of policymaking processes. The fundamental proposition of disjointed–incremental theory is that decisions are made at the margin of the status quo, so that behavior at time t + 1 is marginally different from behavior at time t.

Bounded Rationality

bounded rationality is about the limitations on individual rational choices. Bounded rationality asserts that individual decision–makers do not attempt to be rational in the full, or comprehensive, sense of considering and weighing all alternatives. Although choices are rational, they are bounded by the practical circumstances and constraints of complex decisions.

The basic proposition of bounded rationality is that decisions are based on "rules of thumb" for making minimally acceptable choices.

In contrast to maximizing behavior, Simon proposes the concept of satisficing behavior. Satisficing refers to decisions that are just "good enough," that is, where decisions combine satisfactory and suffice to create a satisficing choice.

Simultaneous Convergence

Simultaneous convergence refers to processes that are like a complex river delta with multiple streams converging and diverging as they cross the flood plain toward the sea.

In policymaking contexts, individuals and groups interact over time to set agendas and formulate policies. Their success, however, depends on the ability to recognize critical moments (“policy windows”) when three kinds of streams—problems, policies, and politics—converge. The fundamental proposition of the critical convergence model is that policy change occurs at these critical moments. The recognition of these moments is part of the challenge facing the analyst.

Punctuated Equilibrium

The punctuated equilibrium model likens the process of policy change to biological evolution. Most policies are relatively stable, changing incrementally over long periods. There is a dynamic equilibrium among competing policies, much like the process of partisan mutual adjustment identified by Lindblom and Braybrooke.

The fundamental proposition of the punctuated equilibrium model is that external shocks are a necessary but not sufficient condition of major policy change. The sufficient condition is that new political images and understandings of the political world arise in response to these shocks. However, when new political images, beliefs, and values develop gradually, over long periods of time, the process is not “punctuated".

POLICY ANALYSIS IN THE POLICYMAKING PROCESS

1. Problem Structuring

The function of problem-structuring methods is to supply policy-relevant knowledge to those who wish to examine the assumptions underlying the definition of problems on the public agenda.
In the agenda-setting phase of policymaking, problem structuring can assist in discovering hidden assumptions, diagnosing rival causes, mapping possible objectives, synthesizing conflicting views, and visualizing new and better policies.

2. Forecasting

Methods for forecasting expected policy outcomes provide policy-relevant knowledge about consequences that follow the adoption of preferred policies (including doing nothing) at the phase of policy formulation. Forecasting helps examine plausible, potential, and normatively valued futures; estimate the consequences of existing and proposed policies; specify probable future constraints on the achievement of objectives; and estimate the political feasibility (support and opposition) of different options.

3. Prescription

Methods for prescribing preferred policy alternatives yield policy-relevant knowledge about the benefits and costs—and more generally the value or utility of expected policy outcomes estimated through forecasting. This aids policymakers in the policy adoption phase. By using methods for prescribing preferred policies, analysts may estimate levels of risk and uncertainty, identify externalities and spillovers, specify criteria for making choices, and assign administrative responsibility for implementing policies.

4. Monitoring

Methods for monitoring observed policy outcomes provide knowledge about the consequences of adopting policies, thus assisting in the policy implementation phase.

Monitoring helps assess degrees of compliance, discover unintended consequences of policies and programs, identify implementation obstacles and constraints, and locate sources of responsibility for departures from policies.

5. Evaluation

Evaluation not only results in conclusions about the extent to which problems have been alleviated, but it also may contribute to the clarification and critique of values driving a policy, aid in the adjustment or reformulation of policies, and establish a basis for restructuring problems.

Uses of Analysis in Practice

The use of policy analysis and its results has the potential for realizing Lasswell's vision of knowledge of and in the policy process. In practice, however, realizing this vision is subject to limitations.

1. Use is indirect, delayed, and general.
2. The meaning of improvement is ethically controversial.
3. Being useful reflects personal, professional, and institutional interests.
4. Misunderstandings about the uses of analysis stem from a failure to recognize that the process of using policy-relevant knowledge is just as complex as the process of policymaking itself.

Thank you.....