Public Policy and Strategy
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Course Introduction and Overview

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1 Course Content and Objectives

This is a course about the policy process in governments and public agencies. It is written for people who are engaged in the processes of policy-making, implementation and evaluation, whether as professionals, politicians, advisors or citizens.

The course is designed to be useful for people working in a variety of public policy contexts – our students live and work in countries that range from democracies to dictatorships, from stable and peaceful to post-conflict reconstructions, from places where the state takes up more than half of national resources to places where the state’s writ runs very small.

As a subject of study, much of the literature on policy implementation began in the United States of America, starting with the creation of the public administration tradition at the end of the nineteenth century. Woodrow Wilson’s 1886 lecture ‘The study of administration’ is generally accepted as the basis for the traditions of separating politics from administration, with the bureaucrats given the task not only of managing public organisations, but of translating policy plans and aspirations into legislation, services, programmes, regulations and so on.

At this time the administrators began to be trained in technical subjects such as budgeting, accounting, organisation, performance measurement and assessment. The US public sector, particularly at federal level, grew in scale and scope as part of the post World War II ‘New Deal’ and the expansion of state activities. Along with this growth came education and training programmes, not just in business-type methods for management but also in what became known as the ‘policy sciences’, the application of (mainly) social sciences to the task of translating political choices and priorities into efficient and effective policies and programmes for governments. From the 1960s Kennedy administration, training programmes were created in prestige schools, including the University of California at Berkeley, Harvard, Carnegie-Mellon, Michigan and so on. The curriculum of this training included policy analysis, developing understanding of the way in which policies are made and the role of evaluation before and after implementation to find the most effective and efficient programmes and instruments.

Since then, the approach to policy analysis around the world has developed considerably and has been informed by a variety of disciplines, including anthropological approaches, which look at how the interactions among the actors in the process work and can be interpreted, such as economists further developing economic analysis for policy making and evaluation and physical scientists introducing science into policies about health, climate, environment etc. The study and practice of policy is now located in academic institutions, in specially created thinktanks that operate alongside governments and in the myriad of multi-national organisations of the UN, the international financial institutions and global NGOs.

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The ideal type created by the Progressive movement is discussed in more detail in C200, Public Policy and Management: Perspectives and Issues.
Ideas about the role of the state have moved on since the origins of the policy analysis school. The institutional arrangements for policy, especially the division of labour between politicians and bureaucrats, assumed in this tradition only apply in a limited sample of countries.

In addition, the study of public policy has moved beyond the notion of policy being made and implemented in individual organisations or bureaus. The notions of networks of players, problems that defy simple solutions, policy arenas that cross national boundaries all require an approach to policy that goes beyond the linear, cost-benefit type of analysis that works well for relatively simple policy problems in contained organisations.

While the course is designed to apply to a wide variety of situations, certain assumptions underpin the material:

- that there is a functioning government, or elements of government
- that policies are made and the institutional arrangements are in place for policy to be implemented
- that the governments in place have responsibility for, at least to some extent, the interests of the people
- that there are processes of policy making and implementation that go beyond the naked pursuit of power and self-interest by the ruling elites.

The core of the course is a ‘rational’ approach to policy making and implementation, an approach that includes problem analysis, stakeholder analysis, an evaluation of options, the choice of policy instruments, the allocation of resources and construction of programmes, and then methods of monitoring and evaluation. That is not to say that the policy process always occurs in this linear, rational and logical way, and you will be asked to think critically about how policy is made in the real world in different social, economic, cultural and political contexts. We use the ‘rational’ model as a heuristic device, since it sets out the possible elements of a policy process.

The course starts with some definitions of policy analysis and policy making and strategy in the public sector. It is important that people in public organisations recognise the differences in terminology between the private and public sectors.

Unit 2 looks at the contexts in which policy is made and implemented. It argues that the policy process that is followed in practice depends very much on the regime type and political context, and that the content of policy depends a lot on the economic and institutional environment. The case studies in Unit 2 offer a comparison between climate change policy in the United States of America and the People’s Republic of China.

Unit 3 and Unit 4 are concerned with policy design, starting with stakeholder analysis and involvement and data collection, and continuing with choice of policy instrument, programme design and service design, together with material on choosing the delivery agent. Together, Units 3 and 4 should give you a good grasp of the elements of policy design.

Unit 5 is about policy implementation. While that unit treats implementation as a stage in the policy process it also argues that policy failures may arise as much from poor design as from implementation failure. The risks of policy...
failure are discussed, as well as the institutional arrangements for implementation.

Unit 6 is about performance management and monitoring, while Unit 7 is concerned with evaluation. Separating monitoring from evaluation is important – monitoring is used as a management device, while evaluation is used to judge and measure the effectiveness of the whole policy process.

Unit 8 is concerned with policy networks and policy transfer, in the context of globalisation. It shows that policy making is not an activity that takes place in isolated governments and departments, but is done with a set of networks, national, professional and global. Making use of those networks to learn about what works and what does not is an essential part of the policy maker’s job.

2 The Course Authors

Norman Flynn is Director of the Centre for Financial and Management Studies. He is the author of Public Sector Management (Sage), co-editor of The Market and Social Policy in China (Palgrave) and Public Sector Management in Europe (Pearson), author of Miracle to Meltdown in Asia: Business Government and Society (Oxford University Press) and, in addition to his role at SOAS, he has held academic positions at the London Business School and the London School of Economics and the University of Birmingham, and was Chair Professor at City University of Hong Kong. You can find more publications at www.normanflynn.me.uk

John Bell is Senior Partner with the CurvedThinking partnership, a UK policy and evaluation consultancy working with clients around the world to help make the link between intention and delivery. He has particular experience in social policy in Britain and Europe, and is Policy Editor of ESF-Works.com, a resource supported by the European Social Fund to promote policy and practice lessons in employment and labour market intervention. He is a special advisor on European structural funds to the UK House of Lords European Union Committee, and has been a CEFIMS tutor since 2009. You can find out more about his work and interests at www.curvedthinking.com

3 The Course Structure

Unit 1 The Policy Analysis Model and Alternatives

1.1 What is Public Policy and What is Strategy?
1.2 The ‘Rational’ Model
1.3 Alternative Models
1.4 Public Sector Strategy
1.5 Conclusions

Unit 2 The Political, Institutional and Economic Contexts of Public Policy

2.1 Introduction
2.2 Political Context
2.3 Institutional Context
2.4 Economic Context
2.5 Conclusions
References
Case Study Feedback
Unit 3 Policy Design 1 – Stakeholders, Data Collection and Analysis
  3.1 Programme Design and Planning
  3.2 Stakeholders
  3.3 Open and Closed Decision-Making Processes
  3.4 Data Collection and Analysis
  3.5 Conclusions
Unit 4 Policy Design 2 – Choice of Instruments, Programme Design, Service Design
and Delivery Mode
  4.1 Turning Policies into Practice – Choosing Policy Instruments
  4.2 Service Design and Delivery
  4.3 Service Procurement and Provision
  4.4 Conclusion
Unit 5 Implementation
  Learning Outcomes
  5.1 Programme Implementation and Management
  5.2 Institutions for Implementation
  5.3 Case Study 1: Top Down and Bottom Up
  5.4 Case Study 2: Implementation Gaps
  5.5 Conclusions
  References and Websites
  Howlett’s List and Case Study Comments
Unit 6 Monitoring, Evaluation and Performance Management 1
  Learning Outcomes
  6.1 Introduction
  6.2 The Context for Monitoring, Evaluation and Performance Management
  6.3 Performance Management and The Principal–Agent Problem
  6.4 Programme Monitoring
  6.5 Case Study – Organising Monitoring and Evaluation in Chile, Columbia and Australia
  6.6 Conclusions
  References
Unit 7 Monitoring, Evaluation and Performance Management 2
  Learning Outcomes
  7.1 Types of Evaluation
  7.2 Policy Evaluation
  7.3 Programme Evaluation
  7.4 Impact Evaluation
  7.5 Benefit-Cost Analysis
  7.6 Qualitative Research and Evaluation
  7.7 Evaluation Case Studies
  7.8 Conclusion
4 Learning Outcomes

When you have completed this course and its readings, you will be able to

- set the processes of policy design and implementation in their political, institutional and economic contexts
- design a policy process, based on policy analysis
- describe the dangers of closed decision-making and strategies to avoid them
- list and discuss some criteria for choosing the possible instruments for policy implementation
- choose and put in place means of policy implementation
- contribute to implementing a Monitoring and Evaluation system
- explain the role of evaluation in the policy process
- design processes of performance management for policies
- discuss the mechanisms and processes of policy transfer and diffusion.

5 Study Materials

There are two textbooks for the course. The first is


While these authors are most familiar with policy in Australia, the book draws on experience in other jurisdictions as well. We have chosen this text because it is based on practical experience, offers help with developing tools of policy making, implementation and evaluation and is rigorous in its approach.

In addition, you will study parts of:


This book arose out of a course on public policy developed by the Urban Institute in Washington DC and the Institute of Urban Economics in Moscow. We have chosen this text because it is also based on practical experience, offers help with developing tools of policy making, implementation and evaluation and is rigorous in its approach. While the book is based
on transitional economies, the approaches, methods and analyses are applicable in many other contexts.

You also have:

United Kingdom Government’s Chief Social Researcher’s Office (2011)
*The Magenta Book: Guidance Notes for Policy Evaluation and Analysis.*

This is another practical guide to techniques.

In addition there is a podcast of an interview John Bryson, the author of one of the readings in Unit 3. He explains the importance of stakeholder engagement in the policy process.

These three texts are supplemented by two other kinds of written material: readings setting out approaches other than the linear, rational method and examples of policies, compiled as a collection of Case Studies. Where there are gaps in the textbook coverage, these will be supplemented by articles reprinted in the Course Reader. Taken together, we hope that these three sources will equip you to make or advise on policies in a range of contexts and institutional settings, while being aware of the pitfalls awaiting simple approaches and the critiques of simple models.

6 Studying the Course

When you work through the course materials, there are various exercises, from the textbook or based on the readings, that are designed to consolidate your knowledge and skills. We recommend that you do the exercises, most of which take half an hour or less, before you look at the model answers where they are provided, at the end of each unit.

At certain points we will ask you to reflect on various aspects of the policy process where you work. It will be valuable for you and your fellow students to share these reflections on the OSC. Short notes setting out the issue and the approach will enrich your and your fellow students’ experience of the course.

Please feel free to raise queries with your tutor and with your fellow students, if there are things that are not clear to you. Do this as soon as you find a problem, because waiting will hold you up as you work through the course.

We hope that you will find the course instructive, useful and challenging.

7 Assessment

Your performance on each course is assessed through two written assignments and one examination. The assignments are written after week four and eight of the course session and the examination is written at a local examination centre in October.

The assignment questions contain fairly detailed guidance about what is required. All assignment answers are limited to 2,500 words and are marked
using marking guidelines. When you receive your grade it is accompanied by comments on your paper, including advice about how you might improve, and any clarifications about matters you may not have understood. These comments are designed to help you master the subject and to improve your skills as you progress through your programme.

The written examinations are ‘unseen’ (you will only see the paper in the exam centre) and written by hand, over a three-hour period. We advise that you practise writing exams in these conditions as part of your examination preparation, as it is not something you would normally do.

You are not allowed to take in books or notes to the exam room. This means that you need to revise thoroughly in preparation for each exam. This is especially important if you have completed the course in the early part of the year, or in a previous year.

Preparing for Assignments and Exams

There is good advice on preparing for assignments and exams and writing them in Sections 8.2 and 8.3 of Studying at a Distance by Talbot. We recommend that you follow this advice.

The examinations you will sit are designed to evaluate your knowledge and skills in the subjects you have studied: they are not designed to trick you. If you have studied the course thoroughly, you will pass the exam.

Understanding assessment questions

Examination and assignment questions are set to test different knowledge and skills. Sometimes a question will contain more than one part, each part testing a different aspect of your skills and knowledge. You need to spot the key words to know what is being asked of you. Here we categorise the types of things that are asked for in assignments and exams, and the words used. All the examples are from CeFiMS exam papers and assignment questions.

Definitions

Some questions mainly require you to show that you have learned some concepts, by setting out their precise meaning. Such questions are likely to be preliminary and be supplemented by more analytical questions. Generally ‘Pass marks’ are awarded if the answer only contains definitions. They will contain words such as:

- Describe
- Define
- Examine
- Distinguish between
- Compare
- Contrast
- Write notes on
- Outline
- What is meant by
- List
Reasoning
Other questions are designed to test your reasoning, by explaining cause and effect. Convincing explanations generally carry additional marks to basic definitions. They will include words such as:

- Interpret
- Explain
- What conditions influence
- What are the consequences of
- What are the implications of

Judgment
Others ask you to make a judgment, perhaps of a policy or a course of action. They will include words like:

- Evaluate
- Critically examine
- Assess
- Do you agree that
- To what extent does

Calculation
Sometimes, you are asked to make a calculation, using a specified technique, where the question begins:

- Use the single index model analysis to
- Using any financial model you know
- Calculate the standard deviation
- Test whether

It is most likely that questions that ask you to make a calculation will also ask for an application of the result, or an interpretation.

Advice
Other questions ask you to provide advice in a particular situation. This applies to policy papers where advice is asked in relation to a policy problem. Your advice should be based on relevant principles and evidence of what actions are likely to be effective.

- Advise
- Provide advice on
- Explain how you would advise

Critique
In many cases the question will include the word ‘critically’. This means that you are expected to look at the question from at least two points of view, offering a critique of each view and your judgment. You are expected to be critical of what you have read.

The questions may begin

- Critically analyse
- Critically consider
- Critically assess
- Critically discuss the argument that
Examine by argument

Questions that begin with ‘discuss’ are similar – they ask you to examine by argument, to debate and give reasons for and against a variety of options, for example

- Discuss the advantages and disadvantages of
- Discuss this statement
- Discuss the view that
- Discuss the arguments and debates concerning

The grading scheme

Details of the general definitions of what is expected in order to obtain a particular grade are shown below. Remember: examiners will take account of the fact that examination conditions are less conducive to polished work than the conditions in which you write your assignments. These criteria are used in grading all assignments and examinations. Note that as the criteria of each grade rises, it accumulates the elements of the grade below. Assignments awarded better marks will therefore have become comprehensive in both their depth of core skills and advanced skills.

**70% and above: Distinction**

As for the (60-69%) below plus:

- shows clear evidence of wide and relevant reading and an engagement with the conceptual issues
- develops a sophisticated and intelligent argument
- shows a rigorous use and a sophisticated understanding of relevant source materials, balancing appropriately between factual detail and key theoretical issues. Materials are evaluated directly and their assumptions and arguments challenged and/or appraised
- shows original thinking and a willingness to take risks

**60-69%: Merit**

As for the (50-59%) below plus:

- shows strong evidence of critical insight and critical thinking
- shows a detailed understanding of the major factual and/or theoretical issues and directly engages with the relevant literature on the topic
- develops a focussed and clear argument and articulates clearly and convincingly a sustained train of logical thought
- shows clear evidence of planning and appropriate choice of sources and methodology

**50-59%: Pass below Merit (50% = pass mark)**

- shows a reasonable understanding of the major factual and/or theoretical issues involved
- shows evidence of planning and selection from appropriate sources,
- demonstrates some knowledge of the literature
- the text shows, in places, examples of a clear train of thought or argument
- the text is introduced and concludes appropriately

**45-49%: Marginal Failure**

- shows some awareness and understanding of the factual or theoretical issues, but with little development
misunderstandings are evident
shows some evidence of planning, although irrelevant/unrelated material or arguments are included

0-44%: Clear Failure
fails to answer the question or to develop an argument that relates to the question set
does not engage with the relevant literature or demonstrate a knowledge of the key issues
contains clear conceptual or factual errors or misunderstandings

[approved by Faculty Learning and Teaching Committee November 2006]

Specimen exam papers
Your final examination will be very similar to the Specimen Exam Paper that follows. It will have the same structure and style and the range of question will be comparable. We do not provide past papers or model answers to papers. Our courses are continuously updated and past papers will not be a reliable guide to current and future examinations. The specimen exam paper is designed to be relevant to reflect the exam that will be set on the current edition of the course.

Further information
The OSC will have documentation and information on each year’s examination registration and administration process. If you still have questions, both academics and administrators are available to answer queries. The Regulations are also available at www.cefims.ac.uk/regulations.shtml, setting out the rules by which exams are governed.
PUBLIC POLICY AND MANAGEMENT

POLICY STUDIES

Public Policy and Strategy

Specimen Examination

The examination must be completed in THREE hours.
Answer THREE questions. The examiners give equal weight to each question; therefore, you are advised to distribute your time approximately equally between three questions.

DO NOT REMOVE THIS PAPER FROM THE EXAMINATION ROOM. IT MUST BE ATTACHED TO YOUR ANSWER BOOK AT THE END OF THE EXAMINATION.
Answer THREE questions:

1. How does the institutional framework of governments affect the policy process?

2. Compare and contrast the making of climate change policy in the USA and China

3. What are the main purposes of:
   a. monitoring and
   b. evaluation of public policies?

4. How do policy networks contribute to policy making?

5. What are the main causes of policy failure?

6. If you were asked to design a policy to reduce traffic congestion in a city, what policy instruments might you suggest and why?

7. Are public policies made in a rational and scientific manner?

8. What is the role of evidence in policy making?

[END OF EXAMINATION]
Public Policy and Strategy

Unit 1  The Policy Analysis Model and Alternatives

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Unit Content

The aim of Unit 1 is to set out a framework for understanding and doing policy work. It examines the ideal ‘rational’ model and various alternatives, concluding that because successful policy is likely to be planned and implemented in a messy and non-linear way, flexibility is needed in the carrying out of any policy choice. It also notes that the relative weight of the elements of the process depends largely on the political and economic context.

The unit also looks at the world of strategy, noting the many differences between the strategic activities that managers in the private sector have to undertake and those in the public sector. While public managers are often asked to produce strategic planning documents, it is important to distinguish between what is policy and what is strategic management and strategic planning.

Learning Outcomes

When you have completed this unit and its readings, you will be able to

- design a policy process, based on the steps in policy analysis
- explain the potential obstacles to this process
- discuss the way that policy decisions are made when the ‘rational’ model is not followed.

📖 Readings for Unit 1

Textbooks


John Wanna, John Butcher and Ben Freyens (2010) the ‘Introduction’ of Policy in Action, the Challenge of Service Delivery. (In discussions with the authors, they refer to their book as ‘PIA’; we will do the same, for brevity)

Course Reader


Donald Curtis (2004) ‘How We Think They Think – Thought Styles in the Management of International Aid’.

1.1 What is Public Policy and What is Strategy?

The unit begins by defining ‘public policy’. How and why do governments arrive at the policy choices they make, at all levels – from local administrations, through regional or provincial governments, national governments and supra-national governmental bodies such as the European Union? Why are some issues the subject of public policy in some jurisdictions and not in others? How do issues arrive on the policy agenda?

Around the world, there are big variations in the scale and scope of public policy, and in the extent to which governments try to control their citizens and influence their behaviours.

The scope of public policy includes:

- defence and maintenance of national boundaries and the people and goods that cross them
- creation and maintenance of law and order within the national boundaries
- regulation of market behaviour, including labour and capital markets
- creation and financing of public services
- macro-economic policy, including fiscal and monetary policy
- exchange rate policy
- trade, including tariffs and subsides and rules
- health and social security for citizens
- governance of state institutions.

In this course, the activities included in public policy comprise the whole process, including issue identification and refinement, policy formulation, programme and service design, implementation, performance measurement and management and evaluation.

The word ‘strategy’ is used in a variety of ways by governments. Sometimes it is used to indicate the activities that need to be undertaken to implement a policy decision – the details of programme design and implementation once an overall policy has been voted for in a parliament or assembly. In other cases, where semi-autonomous units are created for service delivery, the meaning of ‘strategy’ looks closer to a private sector definition, encompassing a wide range of decisions about:

- the review of alternative ways to meet a set of objectives
- choice of assets
- big decisions about outsourcing and in-house production
- human resource strategies
- financing strategies.

In this unit we are concerned mostly with policy, defined as the overall decisions about the issues to be addressed by governments and the shape of the response.

We start with the ‘rational’ model, which is an ideal type of policy making, in the sense that it abstracts from the messy process of policy making in the
real world of politics and administration and sets out a series of steps. Sometimes the process in the real world is carried out in a series of steps, especially when there is a brand new issue to address.

1.2 The ‘Rational’ Model

The ‘rational’ model of policy-making consists of a series of apparently simple steps. At some stage near the beginning, the decision making process has to decide that some event or state in the world requires a policy response. Even this very first stage is contingent: what requires attention by government in one country may not be defined as a problem in another.

Different authors have formulated slightly different versions. The following comes from Hogwood and Gunn (1984, p.4):

1. Deciding to decide (issue search or agenda-setting)
2. Deciding how to decide (or issue filtration)
3. Issue definition
4. Forecasting
5. Setting objectives and priorities
6. Options analysis
7. Policy implementation, monitoring and control
8. Evaluation and review
9. Policy maintenance, succession or termination.

Agenda setting

Agenda-setting is the process of getting an issue on the agenda for the government or agency; the world of policy is full of examples of issues that were once of no concern to governments that somehow were transformed into issues on which decisions had to be made and policies adopted. To take a relatively trivial example – in Hong Kong there is a policy that when the weather gets cold, the comfort of street-sleepers is a matter of concern to government. There is a policy to protect these people from the cold, implemented through service delivery, or in this case blanket delivery. In many other places, the comfort of street sleepers would never become a policy issue, requiring a policy choice and an implementation instrument.

Policy towards cigarette smoking is another good example where the harmful effects of smoking became apparent slowly, and where tobacco companies and cigarette manufacturers tried precisely to keep policy towards smoking off the policy agenda. Climate change is further example of an issue that emerged onto the policy agenda for some governments but not others as a result of a combination of scientific evidence, public concern and fuel-industry lobbying to keep it off the agenda.

Issue definition

Issue definition involves a more precise formulation of the issue about which decisions and policies need to be made: who is affected and how, what are the likely effects of doing nothing. Forecasting may be a part of the definition – if tobacco consumption continues, how many people will
suffer from smoking-related diseases at what cost to themselves and society, for example.

**Forecasting**

Forecasting is an important part of many policy decisions, especially forecasting what would happen if nothing is done. How many people will contract HIV without prevention campaigns? How many people will die of AIDS-related diseases if no anti-retroviral drugs are prescribed? How many people will die in road accidents if improved safety measures are not introduced?

**Setting objectives and priorities**

In a rational process, objectives and priorities will be quantifiable and measurable – to reduce the rate of increase in the temperature of the earth to X degrees per annum by Y year, for example. In practice, of course, many policies are expressed without such precision. ‘Ending world poverty’ is an example of a policy objective that is not quantified and therefore difficult to determine whether it had been achieved. Does success mean there are no more poor people, anywhere? How is poverty defined – does the same definition apply in every country?

**Policy implementation**

Unless the policy-makers jump to an instant conclusion (a danger we will look at shortly) there will be policy options. Take poverty reduction as an example – options range from land redistribution, allowing poor people their own land through education and training to enable them to get jobs, to a policy of welfare hand-outs to keep poor people alive and slightly less poor.

All policy options will also have a choice of policy instruments, one of the major choices to be made when making policies. Consider a policy to reduce the harm caused by smoking – options for policy include setting an age limit on the sale of cigarettes; tax imposition to make them more expensive; legal bans on smoking in public places; advertising to make people aware of the detrimental effects of smoking; regulation of the contents of cigarettes; restriction on advertising of tobacco products. The choice of policy instrument will be affected by a variety of factors – their likely cost, especially in relation to the benefits; their impact on equity; the ease with which they can be administered; their legality; their political acceptability and the degree of risk and uncertainty.

At a more abstract level, there are questions of the ‘fit’ between the policy instrument and the culture of the society in which the policy is enacted. The degree to which policy can interfere in family matters, issues that involve personal choice or that threaten relationships of power and influence, is affected by the overall values prevalent in a society.

As with the choice of policy and policy instruments, implementation has a variety of options. For example, if the policy involves the provision of a service, there is a choice about who should provide it; how it should be managed; what standards there should be, what volume of service; who
should be eligible for it; how it will be monitored. It is sometimes said that policies are more likely to succeed or fail by the standard of their implementation than simply by their initial design.

**Evaluation and review**

The final stages, monitoring and evaluation and the decision whether to continue are also crucial. Policies with no monitoring and evaluation are empty statements. Policies that have no process of confirmation or cancellation are likely to persist long after the problem they were designed to solve has gone away.

**Policy maintenance or termination**

In Hogwood and Gunn’s list the last stage concerns the decision about whether to continue the policy, whether the problem has been solved and whether it should be terminated. Policies are notoriously difficult to terminate because they gather support from their beneficiaries. European food subsidies are a very good case of a policy whose goal (food security) has long been achieved but whose beneficiaries, the farmers, have a big stake in maintaining the status quo.

You will notice that our reference for this rational, linear model is of an old vintage. If you turn to Morse and Struyck’s book, you will see that they have turned the linear format into a cycle.

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**Reading**

Please turn to your textbook by Morse and Struyck and study their Chapter 2. Their policy analysis model is very result-oriented. It seeks to define success criteria for a policy intervention as the second stage of the process, after problem definition and measurement.

Your notes on the reading should include a good résumé of the points raised in this section.

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Such a model has been used largely as a normative device, designed to make sure that policy makers take account of all the elements of a process in their efforts to create a successful policy. It puts forward an ideal type of process with relatively simple, logical steps involved, which can be seen as unrealistic in the face of how complicated real-world situations actually are. There have always been critiques of such an approach – for example, of the ‘institutional’ approach – that broadly takes the view that the form of government institutions has an impact on the way that policies are made and implemented.

One important aspect of the institutional form is the political system. For example, in an important contribution, Arend Lijphart (1999) argued that political systems in which a ‘winner takes all’ electoral process places a majority party in charge of government, different policies would likely arise than in a consensual system, wherein parties share power and have to arrive at a consensus.

1.3 Alternative Models

We now consider whether such a linear, rational model is applicable in all contexts. A word of warning about the rational model – some form of this model is often used as a method of control. Budgets (or grants and loans) are sometimes given on condition that a ‘rational’ approach is used in the choice of policy options. The process can become an empty ritual, the steps being followed in a purely formal way. We once saw such a process that had been designed by management consultants for the planning of capital investment works. The process came with a form to be filled in with each application for funds. One had such statements as ‘Problem: there is no road; definition of problem: people cannot travel from A to B; alternatives: build or not build the road: preferred solution: build the road’ and so on. The rational process was there in form only – the applicant had to perform the ritual to obtain the funds, but the process added no value in the real world.

The policy process in the real world can be much messier than suggested by the rational model:

- solutions may precede problem definition
- important players may have reasons for their solution that have nothing to do with the declared policy outcomes
- some outside agency (a Ministry of Finance, a donor agency) may impose a policy process
- no single programme or policy can solve the problem without reference to one or more other agencies.

1.3.1 The ‘garbage can’

One classical alternative is the ‘garbage can’ approach, a model identified as being common in the real world by Cohen, March and Olsen in 1972. Their argument is that in the real world the policy process is more random than that suggested by the ‘rational’ model. Organisations do not make decisions in a linear, rational way; rather, there are messy processes, solutions looking for problems and a random choice of policies and solutions.

While many people refer to the ‘garbage can’ approach, either to justify a messy and anarchic process or to look for a more rational approach, few seem to have read the original article. We suggest that you read Cohen, March and Olsen now, so that you understand what their model actually entails. You might omit the formal modelling, if such mathematical language is not to your taste.

📖 Reading

Please turn now to their account of the garbage can model by Cohen, March and Olsen. The example they use is that of decision-making in universities. If you are not interested in the example, just read up to page 11.

🔍 Your notes should cover the authors’ basic ideas regarding organisations and organisational structures, the parameters of the ‘garbage can’ and the implications of the model.
While you may not be interested in the details of the model itself, the main impact of the article (which generated a literature all of its own as people developed and tested the model and alternatives) was that it was a milestone in the ‘behavioural’ approach to organisational decision-making. The behavioural approach is essentially inductive, basing theory on observed behaviours rather than precepts about how people in organisations should behave if they pursued their own interests and had access to certain information. Cohen, March and Olsen’s model is not itself inductive, but its precepts are based on general observations:

- Organisations discover their preferences through actions, rather than acting on the basis of preferences. This is counter to the view that organisations have preferences that are essentially the aggregation of individual preferences.
- Organisations operate through trial and error rather than deliberative action.
- The people making decisions and the audiences for decisions change while the processes of decision-making occur – people move jobs, get posted to other work or the personnel in the decision team simply gets changed.
- Decisions are sometimes made when the goals are unknown to the participants.
- Decision makers have limited time to spend on making decisions.

An important aspect of the garbage can model concerns the fact that organisations are collections of choices looking for problems. There are four flows: problems, solutions, participants and choice opportunities. The garbage can models the relationships among these four flows.

The implications of the model are:

- problem resolution is not the most likely outcome of decision making
- load is an important determinant of decision outcome
- problems and decision makers meet frequently with similar outcomes
- specialised access structure and unsegmented decision structures produce quick decisions
- important choices are less likely to resolve problems than unimportant ones
- choice failures occur in very important and unimportant decisions, not intermediate ones.

While the garbage can model attracted a lot of attention and sparked many research efforts to test whether people do in fact work in this way, the approach is just a part of what is known as the ‘institutional’ approach to policy. The general idea of this approach is that to understand how policy choices are made, analysts need to consider the institutions – the rules and norms of behaviour and the power relationships in the organisation. The choice of factors, whether historical or political, results in a

1 Two of the proponents of institutionalism are Di Maggio and Powell (1991), two authors you will have read if you studied course C200, Public Policy and Management, Perspectives and Issues. The idea that institutions have an influence on organisations’ decisions, rather than decisions being the result of individuals’ rational pursuit of self-interest, can be traced back at least to Thorstein Veblen (1904).
subset of labels for institutionalism, ‘historical institutionalism’ and its creation ‘path dependency theory’ or ‘political institutionalism’.

It is important to bear in mind that the ‘garbage can’ model is essentially a description of what the authors observed and synthesised into a model. Unlike the rational model, whose proponents would argue provides a valid method or tool for implementation, few would say the ‘garbage can’ is how things should be done; instead, it is a way to understand how they often are done.

1.3.2 Non-linear thinking

The idea of a process starting with policy analysis and policy choice, and cascading down through implementation and evaluation implies some sort of organisational hierarchy – policy is made at the ‘top’ and implemented ‘on the ground’. It is linear, with a succession of stages that follow on one from another. It also implies a separation of these functions – policy-makers are not the same people as implementers. The idea of separating policy-making from administration or management can be traced back to the Progressive Movement in the USA, and to Woodrow Wilson.²

The actual policy process, as implied in the ‘garbage can’ approach, may be less linear and the separation of policy making and implementation may be less rigid than implied by the linear, hierarchical model. For example, the process of policy implementation may change the policy itself. Imagine a policy to provide universal primary education:

- the policy emerges at the top, from a government or ministry
- funds are allocated to sub-national governments
- local governments put up buildings and start hiring teachers.

It is likely that there will be obstacles to successful implementation – there may not be enough teachers; parents may not send their children to school because they are needed to work in the family business; corruption may divert resources. If such obstacles exist, the policy makers will have to re-think the policy and the policy instruments; perhaps the policy also requires a programme of teacher training; perhaps parents require incentives to send their children to school, and so on. Implementation, in other words, is part of the process of policy formulation.

Where policies originate in places remote from implementation, the problem with the linear form is even greater. Millennium Development Goals, Poverty Reduction Strategies and other over-arching goals in the field of aid and assistance are examples. Formulated in international agencies and then transmitted through various aid programmes, these epitomise the split between policy formulation and policy implementation.

Donald Curtis has made this argument, both in general and specifically in relation to the aid efforts in Bangladesh. In your next reading, Curtis, who

² The study of ‘Public Administration’ started in the USA towards the end of the nineteenth century. The classic article on Public Administration as a topic of study, and as an activity separate from politics and policy-making was by (US President) Woodrow Wilson: ‘The Study of Administration’, 1887.
works with the University of Birmingham UK Overseas Development Department and as a consultant to the UK Department for International Development argues that one of the problems with the linear model occurs at the point at which goals are turned into instruments of policy implementation. He argues that there are two hierarchies – one in donor agencies, one in the recipient country – and that the hierarchies are often linked by consultants, hired by the donors.

The hierarchical processes contain many goals and objectives in addition to the ones that are written in official documents. The process of designing programmes and other implementation instruments reflects a negotiation between the local actors’ objectives and the donors’ stated goals – what emerges is a mix of programmes that attempt to satisfy both. In certain cases, such as India, the recipient government simply decides that the cost of compliance is too high and that the offers of aid should be rejected.

Curtis’s solution is that the policy process and the structures that support it should be non-linear, flexible and iterative. The hierarchical thought process imposed by a hierarchical set of power relationships is inadequate to the task of finding solutions to complex problems.

**Reading**

Now read the paper by Curtis, and follow his arguments carefully.

Note, particularly, Curtis’s arguments concerning mental premises, consensual decision making, hierarchical delivery and networked partnership.

While Curtis’s example is Bangladesh, there are reasons to believe that the problem of inappropriate relationships leading to poor policy and inadequate implementation is widespread. A book by Jenkins and Plowden (2006) suggests a systematic failure of efforts to implement government and governance reforms, for example. High-level policy statements about improved government performance are implemented through reform programmes, often conditionally connected to grants and loans. Implementation is followed by monitoring and evaluation. The World Bank’s interest in the quality of government began with the 1997 World Development Report and resulted in $3.4 billion spending on ‘public sector governance’ by 2004.

The people who connect the Bank and the recipient governments are contractors and consultants, as Curtis explained. Jenkins and Plowden show that in 1992, at the height of the aid business in sub-Saharan Africa, there were 100,000 expatriate advisers. Tanzania received 1,000 donor delegations per year, and wrote 2,000 monitoring reports for donors. Despite all these ‘experts’ and monitoring, there seems to have been little learning. The lack of success of these efforts is attributed by Jenkins and Plowden to a disconnection between the policy goals, implementation and evaluation: ‘… it is far from clear to the observer that there is any connection between the research and evaluation that is undertaken and the actions of the Bank, and of its subcontractors, on the ground’ (p. 30).
Both Curtis and Jenkins and Plowden argue that there are faults with a linear, hierarchical policy process and with the hierarchy of people who enact the process.

**Time to Reflect**

One aspect of this body of work is that people describing the policy process may impose some rational process on what was in practice an anarchic process. Why is this academic debate important for people making and implementing policy?

First, professionals involved at the interface with politicians soon discover that they are working in a political environment – ministers, mayors, governors have agendas which may not fit in a tidy, linear process from problem identification to evaluation.

Second, if there is to be an evidential and rational framework for policy making, those managing the process will find it useful to be aware of the points in the process at which evidence can be inserted. Even the most intuitive and political processes can be informed by science. If such were not the case, then professionals might just as well let the political flow continue, with its inevitable consequences. Successful intervention in agenda setting, consideration of a wide range of options and genuine evaluation can be more successful if informed by the institutional environment. To put it the opposite way: if professionals or managers try to organise a policy process while ignoring the institutional context, they are unlikely to be successful.

One of your texts, *Policy in Action*, is based on an approach that attempts to capture the complexity of the policy process in reality:

> By contrast with the mainstream public policy literature, we adopt a different lens to explore ‘policy in action’. We adopt a policy-centric approach, one that is centred on policy as ongoing challenge, as an iterative activity and meandering narrative, as a set of developing meanings, understandings, learnings and practices. So, our principal focus is on policy itself and how it is delivered and received by end-users. (PIA p.6)

**Reading**

Please read the Introduction to PIA now.

What do you think of the two arguments? Hogwood and Gunn’s linear policy process – Curtis and Jenkins and Plowden’s critiques are that, at least in the field of aid, the linear process does not work. In your experience, have you seen examples of linear and non-linear policy processes? Only in exceptional cases, where a new issue enters the policy arena, are policies considered from the beginning – most governments have a full set of existing policies, and the process of policy-making involves marginal changes.

Please post some notes on your thoughts in the discussion area for this course on the OSC.
1.4 **Public Sector Strategy**

In the classical tradition of ‘public administration’ there is a division of labour between politicians, who are responsible for policy making, and public servants, who are responsible for the implementation of those policies through a variety of policy instruments.

Changes in the management of public services that were introduced in a variety of countries from the 1980s onwards led to a reconsideration of the role of ‘management’ as opposed to ‘administration’ in public services. One aspect of this re-appraisal was structural, with ‘service delivery’ being separated organisationally from ‘policy’, sometimes in the form of executive agencies, sometimes in the form of contractual relationships with service delivery businesses, whether for-profit or non-profit. Those involved in the service delivery part of public service were to be held accountable for their actions, including their achievement of pre-set targets on outputs and to some degree on the results of their service delivery activities.

These agencies or contracting bodies looked a bit more like businesses than public agencies – they were given more managerial freedoms, especially with regard to the way they acquired and used assets and the way they hired and managed staff. Their managers looked to business practice to inform their managerial work and, in turn, many business schools turned to research and training for this new breed of public managers.

One aspect of this was an interest in what ‘strategic management’ would and could look like in the public sector. Business strategy had been taught in the business schools for decades and techniques had been developed for understanding, teaching and practising strategy. The issue was – how could such ideas and techniques be applied in the newly configured public sector? The differences between the two sectors were clear – in the private sector profit and shareholder value, in the public sector ‘public value’; in the private sector the struggle to find and retain customers in a competitive environment, in the public sector the need to define eligibility for services and ration their distribution.

A literature emerged. John Bryson’s *Strategic Planning for Public and Non-Profit Organizations* appeared in 1988 in the USA (and a fourth edition in 2011); Paul Joyce’s *Strategic Management for Public Services* was published in the United Kingdom in 1999; Gerry Johnson and Kevan Scholes published *Exploring Public Sector Strategy* in 2000. These books explored the application of techniques used in the business schools and in some businesses to the problems and challenges faced by public managers.

1.4.1 **Differences between public and private sector strategies**

There are some obvious differences between what might be defined as ‘core’ public service functions and businesses – assuming that the public service core includes tax collection, delivery of basic services such as policing, regulation and public health, provision of financial management for public money and policy advice for politicians. The differences are:
• there is no ‘bottom line’ or profit calculation in the provision of public services
• there is (normally) no competition to provide the services
• governance arrangements do not include shareholders
• success does not result in big financial rewards
• the consumers of services do not pay for the full cost of them at the point at which they are consumed; rather, through taxation.

Once one or more of these conditions is relaxed, certain aspects of private sector strategic management appear more relevant to the public sector. The most obvious is the trading entity – public bodies that engage in trade, such as agricultural marketing, running state theatres or opera houses, national sports stadiums or state railways, look more like private enterprises. They have customers who pay; they can compare their costs with their revenues and produce a ‘bottom line’. Of course, the bottom line may not be a perfect measure of success – there may, for example, be a subsidy for a state railway, which distorts the bottom line. If the service, such as a post office, is a monopoly, then profits made will depend on the price the postal service is allowed to charge.

The other assumption that may not always apply is the public monopoly – once competition is introduced, the strategic management problem changes. For example, where the state monopoly on postal delivery is relaxed, the post office has to be concerned with retaining customers, thinking about its price and quality competitiveness.

The major constraint on public bodies that does not apply to private companies is their reliance on legal statute as their reason for being. While a company can make strategic decisions about the products and services it supplies and the markets in which it sells them, public entities have these choices made for them, and laid down in statute. The prison service cannot decide to make more profits by building holiday resorts; the state schools cannot diversify into fashion houses. For some, this restriction in scope is enough to persuade them that the differences between the public and the private are so great that strategic management is inappropriate.

In addition to the two categories ‘public’ and ‘private’ there are hybrid types of organisation that have some characteristics of the private and some of the public. They include social enterprises that are set up to deliver services funded by taxation but managed by Boards of Directors and owned with charitable status. They also include state-owned enterprises that are owned by government but operate under commercial rather than administrative law.

In other words, the nature of the environment, including the institutional environment has a big influence on the choice of strategic management process. The same is true of the strategy or policy process in the public sector – if the environment is very stable, the task unchanged, the technology fixed, then elaborate processes of strategic planning are unlikely to produce worthwhile results.
Reading

To consolidate these ideas, we now turn to a reading by an Australian academic, Jenny Stewart. In her article 'The Meaning of Strategy in the Public Sector' she looks at the distinction between policy and management and the ‘space for’ managerial activity. She concludes that the use of ‘strategy’ in the public sector is often a matter of making public the organisations’ definition of what they are and what they do, and on the priorities they are pursuing. The big decisions that are normally part of a business’s strategy (what to produce, for whom, where and how) are in practice part of the policy process, not part of organisational strategy.

She then usefully makes distinctions between policy strategy, organisational strategy and managerial strategy.

Please read her article now and clarify in your own mind the distinctions.

Be sure that your notes do clarify Stewart’s distinctions.

1.5 Conclusions

What we have tried to do in this opening unit is set out a framework for understanding and doing policy work. Any successful policy will include all the elements but, as some have argued, the policy process in the real world may be messier than that implied by the model.

The point we have tried to make is that successful policy may well be made in a messy and non-linear way and that understanding that should help you to mould the process to include the essential elements. However, the policy process, and the relative weight of the elements of the process depend very largely on the context, a theme that runs through the whole of the Public Policy and Management programme.

Specifically, the political context affects who gets involved in the policy process, how much public consultation or involvement there is, how open or closed the process is likely to be. In addition, the economic context is also crucial. In times of fiscal retrenchment, policy is oriented towards saving money, rather than expanding services. The micro-economic context is also important, including the structure of domestic markets with respect to competition. These elements of context will be covered in Unit 2.

We then made a detour into the world of strategy. We concluded that there are many differences between the strategic activities that managers in the private sector have to undertake and those in the public sector. While public managers are often asked to produce strategic planning documents, it is important to distinguish between what is policy and what is strategic management and strategic planning.
References


