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RE-CONCEPTUALIZING PUBLIC POLICY PROCESS: REVIEW OF CONCEPTS AND MODELS

Abstract

Policy relates to political decision making generally at the level of the government. Policy analysis starts from the vague goals identified by the politicians and involves defining the problem, the objectives, the alternative means or courses of action, the availability of resources and the evaluation of effectiveness. With the changes in the global economy policy making is no longer the prerogative of the government alone. Now the policies are being increasingly made with an interactive input from the government, the market and the civil society especially in the Third World. With the declining power and scope of the government and the absence of powerful local civil society, the market with its interests defined by the multinationals is playing an increasing role in policy formulation. The spread of poverty in the wake of IMF's Structural Adjustment Programmes is being explained as the result of poor implementation, corrupt governments and weak institutions. Such an explanation is the basis of second tier of World Bank supported institutional reform in areas like local government, civil service and law. The purpose of these reforms is to make the institutional and legal frameworks of the countries market friendly and consistent with the demands of globalization.

Policy science or policy studies developed as an academic discipline after the Second World War, as a result of the quest for understanding of the relationship between governments and citizens. Scholars were either concerned with normative questions of political philosophy or focused on micro level operations of public institutions. Policy Studies that emerged in the post World War era were to fill the gap between prescriptive political theory and the practice of state organizations. At various times, many approaches, including elite studies, behaviourism, political cybernetics and political culture, became popular among political scientists (Mead 1985, pp. 319-322). Perhaps the one approach that stood out and continues to be in vogue was pioneered by Harold Lassewell and others in the US and the UK. This approach centered on public policy making itself. According to Lassewell, it was explicitly normative in character, multi-disciplinary and problem solving. Lassewell's policy science would embrace sociology, economics, law and politics. It would endeavour to find solutions to real world problems and would not hide behind the mask of scientific objectivity. It would accept the quasi-impossibility of separating means and ends, values and facts and policy and administration (Lassewell 1951, pp. 3-6).

Over time the Policy Science has developed as an academic discipline on its own, containing a large body of scholarly literature. The original problem solving

orientation has been found wanting because of the immense complexity and intractability of public policy issues. There has been a realisation that in the real world of policy, technical superiority of analysis often gives way to the political expediency. Though policy studies scholars are relatively less focused on remaining explicitly normative, yet they refuse to exclude the evaluation of policy goals as well as the public policy processes. Policy tends to be evaluated in terms of efficiency or effectiveness (Howlett and Ramesh 1995, pp.3-4).

Policy definitions vary widely in their scope and usefulness. Thomas Dye's (1972, p. 2) oft quoted description – “anything a government chooses to do or not to do” – is perhaps the most simple and broadest. Its simplicity and scope is paradoxically its Achilles' heel. It is not very useful for theory building or empirical research. It is however important to note that Dye includes ‘doing nothing’ as a policy choice. Jenkins' definition is a little more precise and comprehensive. For him public policy is “a set of interrelated decisions taken by a political actor or a group of actors concerning the selection of goals and means of achieving them within a specified situation where those decisions should, in principle, be within the power of those actors to achieve” (Jenkins 1978). Though it is not explicitly stated, this definition views policy as a choice process – choice of goals and means to achieve them. Anderson provides a little more generic definition when describing public policy as a purposive course of action in dealing with a problem chosen by an actor or a set of actors. (Anderson 1984, p. 3). Leslie Pal gives a similar definition: “A course of action or inaction, chosen by public authorities to address a given problem or an interrelated set of problems” (Pal 1997, pp. 1-2). Pal's definition refers to policy as a guide for related actions. It provides a framework for further actions that are undertaken in pursuit of resolving public problems. Policy thus always begins with a problem or set of problems that requires a public solution. Policy represents a solution and provides the means to resolve the problem as well as a guide to action. Pal therefore emphasizes the instrumental nature of public policies in the sense that policies are not ends in themselves. And yet policy is not devoid of values. Policy makers define problems and choose means in relation to goals that public values. It is also difficult to separate values and fact; policy / politics and administration or means and ends. (Pal 1997, pp. 3-4)

Perhaps the best way to define policy is to identify its essential elements or ingredients. First, a policy must clearly define the problem or problems it aims to address. Second, it must describe the objectives that need to be accomplished to solve the problem. Third, it must spell out the means or a course of action or programme that needs to be carried out to accomplish the stated policy objectives. Fourth, it must identify estimated resources that would be available to carry out the policy. Fifth, it must include some criteria of evaluating the success or failure of the policy in light of the objectives to be achieved. Public policy statements often do not contain all of these ingredients. They rarely include criteria of evaluation. Many policies are framed without reference to the availability of resources. Even problem definition which is central to the understanding of policy (and more important to its implementation) is often not well articulated.

Policy Analysis: its theoretical underpinnings

Governments in today's global environment face highly complex and often intractable problems. Promised solutions and contingency plans turn out to be disappointing as we have recently witnessed in the wake of hurricanes Katrina and Rita in United States, perhaps the most advanced nation in the world in terms of analytical capacity and resources. There are perhaps many reasons for policy failures. An important reason among these is the lack of appropriate analysis and adequate understanding of the policy problems.

Policy analysis implies the application of reasoning to the definition of public problems, choice of objectives and courses of action and finally the evaluation of accomplishments. Policy analysis emphasizes the reflective and cognitive aspect of policy. It involves the application of knowledge to the policy content and process. Some policy scientists view it as applied research carried out to acquire a deep understanding of issues and problems. The objective is to assist policy makers in resolving the problems they face. It is not undertaken to create knowledge for the sake of knowledge or merely to explain actions and behavior. Its main objective is to help policy makers make optimal choices.

Policy analysis is carried out under many guises and many names. Most policy analysis that goes under rubric of operations research, systems analysis, management science, benefit cost analysis, or cost effectiveness analysis is economics oriented. These techniques depend heavily on economic theory. Economics based analysis deals best with maximization problems where objectives can be clearly defined and solution is embodied in the data. Consequently, operations research and systems analysis tend to focus on doing something better and doing something better as well as cost effective.

The problems that involve choice of an objective or an appropriate mix of objectives ultimately depend on value preferences. Sophisticated costing, quantitative data and systems analysis are helpful but do not offer the final solution. Economics based techniques also share their lack of attention to socio-political variables that cannot be easily quantified. Policy analysis goes beyond and deals with equity and distributional aspects of policy. It includes the implementation of policy and its political and organizational implications. Policy analysis is therefore a broader concept encompassing approaches based on economic theory as well as law, politics and other social sciences (Quade 1982, pp. 23-24).

Policy analysis may follow many approaches: explanatory, descriptive, applied or prescriptive. It may be a combination of these approaches. As Howlett and Ramesh point out, simply describing a government policy is a relatively simple task compared to knowing why the policy makers did what they did. (Howlett and Ramesh, 1995, p. 6). Exploring the reasons for initiating a policy, how a policy was implemented, evaluating its consequences and determining whether it achieved its objectives or not, are far more complex issues. Explanation of public policy is often a function of the

analytical framework used by the analyst. While the objectives, academic training, experience and value preference of the analyst influence the choice of a framework Leslie Pal posits an interesting fourfold typology of analytical approaches (Pal 1997, p. 17). Normative analysis measures policies in terms of some over arching code of moral standards: the holy Qur'an or Shari'a, the Bible or secular morality. Legal analysis would emphasize the constitutionality and consistency of policy with legal codes, conventions and charter of rights. Empirical analysis focuses on the results in terms of effectiveness, efficiency and costs and administration.

In the end, one must realize that analysis is clearly not sufficient to provide solutions to some questions. For example, how much of a country's budget should be allocated to national defense and how much should be spent on education? Whether the traffic congestion in a city like Lahore would be better addressed by more and better road system or a rapid transit? These represent political choices. Analysis can help but policy makers have to make the choices. Policy analysis is more a means for investigating problems than resolving them. It helps in understanding the complexities of public problems. Despite the excessive claims of some experts, policy makers should not expect too much from policy analysis. It is after all not a perfect science. As Quades admits, "We have not been and never shall be able to make policy analysis a purely rational, coldly objective, scientific aid to decision-making that will neatly lay bare the solution to every problem to which it is applied"(Quade 1982, p. 11).

Policy Process: Formulation, Implementation and Evaluation

Political Science scholars studying public policy predominantly focus on policy process. For these analysts the policy makers play a crucial role in shaping policy and its outcomes. The process through which the problems and issues arrive on government agenda, through which policies and courses of actions are designed, deliberated and approved in government forums, is critical in shaping the content and outcomes of policies. In most modern governments, policy process is a complex puzzle and involves a large number of actors and institutions. To make the study of the policy process more manageable, it is usually deconstructed into what look like discrete stages in a linear process. In reality, however, the "stages" mesh into and overlap each other and policies proceed through the policy cycle in an iterative rather than linear fashion. Harold Lassewell was perhaps the first scholar to disaggregate policy process into conceptually discrete stages (Lassewell 1971). Policy process consists of the following stages: agenda setting, policy formulation, policy implementation and policy evaluation.

Agenda Setting

A government faces myriad of problems and issues at a given time. It usually does not deal with all of them. It may not have resources or time to do it. Problems may arrive on the formal agenda of governments following different paths. The choice of public problems or issues to be placed on the formal agenda of a government

often results from interaction and bargaining among the interest groups, civil society organizations, policy experts, bureaucrats and politicians. Problems are chosen for action on the basis of policy makers' perceptions of what constitutes a problem for society or government. Political scientists have tried to model this process in an attempt to develop a theory (Kingdon 1984; Cobb, Ross and Ross 1976; Simeon 1976). Sometimes sudden events 9/11 or Katrina bring issues to the attention of the politicians and trigger a process to develop new policies. At other times, feedback from already existing government programmes brings problems to the public agenda. Many governments have formal mechanisms of agenda setting. In Canada, for example, the Speech from the Throne, read by the Governor General at the inauguration of a new parliamentary session contains the formal agenda for governmental action. Election manifesto of the party in power contributes to this formal agenda.

Policy Formulation

Once the problems have been recognized and the policy makers are committed to resolving them, problems need to be defined as clearly as possible. This is the first step in policy formulation. The problem definition requires developing logical argument about the nature of the problem and proposed solution. A definition should include the causes of the problem, its severity or intensity, its scope and who is affected by it. It should also point out whether the problem presents a crisis situation and needs to be resolved immediately. It should identify the potential target groups for policy interventions and point out to the potential solutions. In reality sometimes solution precedes a problem and hence helps shape its definition. (Rochefort and Gibbs 1994, pp. 1-31). As Leslie Pal points out, there is no science of defining problems. It is a matter of developing a logical argument for persuading relevant policy makers to recognize the gap between what is and what is desirable. In a resource constrained environment, government actors are not often very keen to identify problems because it would also require identifying the source of funds. Therefore it becomes a problem of trade offs (Pal 1997, pp. 92-93).

Ideally, after the problems have been defined, the policy makers would spell out the objectives that need to be accomplished for the resolution of a policy problem or problems. Clarity and precision in spelling out the objective are essential for designing courses of action and implementing them. Politicians often vaguely know what they want to accomplish. Analyst's job is to determine with as much precision as possible what the politicians really want. It is their job to translate a relatively vague goal into an operational objective. When a problem entails multiple objectives and multiple decision makers, as often is the case in public policy formulation, it becomes very difficult to determine the trade-offs and a hierarchy of objectives. To accomplish objectives, policy formulation involves exploration of various options (courses of action) and elimination of the undesirable ones. This entails an analysis of options for determining what is feasible and what is not, what is more efficient and what is more effective. In practice, the rejection of an option is not always based on analysis or facts. An option may be dropped if a significant actor in the

policy sub-system considers it unworkable or unacceptable (Howlett and Ramesh 1995, pp. 123-124). In most governments now, policy formulators are required to identify the measures of performance that would be used to evaluate the results. Some governments even oblige the formulators to identify the funding sources, particularly if the policy environment is highly resource constrained. It should be noted that policy formulation process is far from orderly and clear-cut. It is rather messy and iterative with great deal of bargaining and exchange. Formulation may sometimes proceed without clear definition of problems or spelling out the goals with any precision (Quade 1982, p. 85).

The locus of policy formulation usually depends on the nature of political regime. In an autocratic regime policy formulation is highly centralized while in democratic regimes the policy formulation system is relatively decentralized and open. The content of policy also determines where the policy would be formulated. Technical and economic policies are often formulated by technocrats and experts in specialized government departments in consultation with outside experts in think tanks. Policies that impact industries, trade or commerce are formulated in consultation with relevant business interest groups. While social policy is formulated with a great deal of consultation with other departments, civil society organizations and experts, bureaucracy plays the dominant role in formulation. A lead agency is responsible for moving the policy proposal through the maze of government bodies until it is approved by an authoritative forum such as the Cabinet in the parliamentary system or the President under the American system. A new policy proposal which does not fall under the rubric of any existing law has to be enshrined in an act of parliament. In most parliamentary democracies, the legislatures do not play a dominant role in the formulation process. By the time a policy is drafted in the form of a bill by the government in power, there is very little scope for any major change. In the presidential system where the executive does not control the legislature the law makers have the power to initiate policy.

Budget and Public Policy

The real test of whether a public policy represents a priority for government and would be implemented is the inclusion of the policy proposal in the annual expenditure budget. Many governments suffer from a gap between policy and resources and many a policy proposals die a silent death at the altar of budgetary politics. In governmental systems where policy approval cycle moves parallel to the budgetary cycle and there is little coordination between the two many an approved policies never reach the implementation stage.

The budget document attaches actual funds to policies and programmes. Budget establishes the link between financial resources and governmental action to accomplish policies. It attaches price tags to policy goals. If policy process represents the bargaining and conflicts over the policy preferences that would prevail, budget is the final outcome of the process. Wildavsky in his classic treatise on budgeting pointed out that budget can serve as a plan of action if policy and

programme choices are well coordinated. It may also serve as a tool for efficiency and effectiveness if the emphasis is placed on achieving policy objectives for a given amount of funds or accomplishing desired policy objectives at the lowest cost. Budgeting officials do not try to maximize, they satisfice. In other words they do not look for the best possible policy option; they are satisfied with the one that appears to be good enough. Budgeting is also incremental in the sense that the largest determinant of size and content of this year's budget is the last year's budget. Incremental budgeting means that the existing programmes are not evaluated in comparison to all possible alternatives (Wildavsky 1964, pp. 2-3).

Implementation

The implementation stage of the policy process is usually critical for the success of policy initiatives. Implementation frequently ends up with unintended and unanticipated outcomes. Literature on implementation points to the complexity of the process and frequently faulty implementation (Bardach 1977). Until relatively recently, the policy scientists ignored implementation and considered it a given. They tended to believe that once policies were formulated, implementation follows. Though Public Administration dealt with issues related to implementation at length, Pressman and Wildavsky's classic study of the federal job creation programmes in Oakland, California, brought about a major turnabout in scholars' view of implementation. They pointed out that policies imply theories. Whether stated implicitly or not, policies point to a causal link between some initial conditions and desired future outcomes. According to them unless the required initial conditions are created policy cannot be implemented. Implementation is the ability to accomplish predicted outcomes once the initial conditions are met. It consists of transforming the inputs (initial conditions) into outputs and outcomes (the predicted conditions) and delivering them to the target groups. This does not mean that the initial conditions are written in cement. Implementation process often changes and transforms the initial conditions. The transformation is achieved through resources, programmes, tasks and activities. Constraints and problems often emerge during the implementation phase when resources are used to accomplish programmes, tasks through activities. It is impossible to predict all the possible obstacles in the design phase. As Majone and Wildavsky (1978, p. 113) have pointed out: "constraints remain hidden in the planning stage and are only discovered in the implementation process". It should be noted that Pressman and Wildavsky do not include the assembling of resources, authorization of funds and passing or requisite legislation in implementation (Pressman and Wildavsky 1984, pp. xxii – xxiii). They consider such activities as initial conditions included in the policy design.

In practice implementation cannot be divorced from policy design. It should not be viewed as a phase that follows after and independent of the policy design. Policy makers should close the gap between design and implementation by gearing programmes more directly to the requirements of effectively executing them. Closing the gap between the two would require the reduction of decision points to minimum and paying attention to the creation of the organization machinery required to

implement a programme. If a policy is highly technically oriented it is necessary that the experts who have designed the technical aspects of the programmes stay around for their execution (Pressman and Wildavsky 1984, pp. 143-144).

Policy studies sometime emphasize a top down or bottom-up approach to policy implementation. Top down approach posits a cascading chain of command. Policy maker's intent is clearly specified then proceeds through a series of specific steps to determine what is expected at each level of the organization. This procedure has been referred to as "forward mapping". While bottom-up approach or backward mapping begins with establishing what is required as actual behavior at the very bottom level of the implementation process. Then the approach requires asking each agency involved what ability and resources they require to affect the target behavior (Elmore 1982 pp. 19-21; Sabatier 1993, pp. 266-293). However, if one views policy-implementation as a continuum or iterative overlapping cycle then both of these approaches are irrelevant. Perhaps the better approach is to combine the forward and backward mapping.

Depending on the size of the target group, complexity and diversity of the problems that are targeted to be resolved, a policy can be more or less difficult to implement. The nature and extent of behavioral change required of a target group for implementing a policy is a critical variable. The socio-economic policies that require a change in deep rooted customs, traditions and beliefs are difficult to implement (Howlett and Ramesh 1995, pp. 153-155). A host of exogenous factors – social, economic, technical and political changes – can also affect implementation. These factors may require a redesign of objectives, choice of means and implementation strategies.

Policy Evaluation

The term policy evaluation is used by different scholars in various different ways. Some authors use the term in a broad generic manner. Howlett and Ramesh, (1995, pp. 173, 175) for example, extend it to judicial review and what they refer to as 'political evaluation'. The former deals with legality and constitutionality of governmental actions or laws, while the latter is broadly described as opinions voters formulate about government leaders on election time. In this paper, evaluation does not have such a broad and generic connotation. Sometimes evaluation is used as synonymously with policy analysis where very similar methodologies are used to formulate policies and programmes. This is also referred to as *ex ante* evaluation often undertaken to compare policy options, programmes or projects. The major objective in this kind of evaluation is to improve allocative efficiency. Benefit-Cost Analysis (BCA) is perhaps the most powerful technique used to compare the rates of return of various projects/programmes.

Formal evaluation is related to on-going, existing programmes or *ex post* evaluation done after the programmes have been completed. It is the on-going programmes or programme that have been already implemented are the object of evaluation.

Evaluating policies and programmes is a part of assessing government performance. Evaluation would answer such questions: did the government promptly identify social needs and propose innovative solution? Did they succeed in implementing the intended policy goals? Putnam points out that evaluators must be careful not to blame governments or give them credit for matters beyond their control. To avoid this he suggests measuring outputs and not outcome – health care provided and not the mortality rates (Putnam 1993, pp. 65-66). Often evaluators do this because they cannot establish a causal relationship between the policy intervention and outcomes and control non programme variables which may have impact on outcomes.

Peter Rossi and Freeman define evaluation as “the systematic application of social research procedures for assessing the conceptualization, design, implementation and utility of social intervention programmes.” According to them the *raison d’être* of evaluation is to improve the way in which policies and programmes are conducted (Rossi and Freeman 1989, p 12). This definition suits experimental methodology to establish the causal relationship between the programme intervention and its outcomes. This, however, is small but very important part of evaluation. Evaluation also includes: “the measurement of programme performance – resource expenditures, programme activities and programme outcomes—and the linking of causal assumptions linking these three elements” (Wholey 1944, p 15).

The success or effectiveness of a programme is perhaps the central question in evaluation. This kind of evaluation is often referred to as impact evaluation. The evaluator’s prime objective is to find out whether the programme under evaluation achieved its intended effects or not. Did the programme make a difference? Or conversely whether the programme outcomes/effects were in fact the result of the programme interventions? Ideally randomized experimental design is the most suitable methodology for evaluating the impact of a programme. In such a design, a control group is used to compare the results of the programme intervention and the programme targets are assigned randomly. Experimental designs are not easy to implement, therefore quasi experimental designs are used more often (Staisey and Rutman 1992, p 226). Evaluation has many purposes and uses. It is carried out to improve the efficiency in programme delivery and how the programme is being managed. It is often undertaken to provide information for accountability (Hudson, Mayne and Tomlinson 1992, p. 5).

Policy evaluation is often initiated by the management of the department or agency responsible for the implementation of the programmes. It may be carried out in-house or contracted out to consultants. More elaborate, impact evaluations are often contracted out because of lack of technical expertise or human resources. Often agencies having oversight role also initiate policy evaluation. The Office of the Auditor General in Canada (OAG) carries out programme evaluation for providing information about accountability or efficiency. In North America, particularly in the US, independent think tanks like the Brookings Institute or the Rand Corporation carry out quite elaborate policy evaluations. The Institute of Research on Public Policy in Canada undertakes similar evaluative studies. In the US, the General

Accounting Office carries out evaluations on behalf of the US Congress. Such non-government evaluations are rather rare in developing countries. The fundamental challenge in policy / programme evaluation lies in quantification, particularly in developing adequate measures of performance.

Public Policy Dynamics: how policy choices are made?

Pluralists view public policy arena as place of conflict, bargaining, compromise and coalition building. This arena is populated by a myriad of organized groups who try to influence public policy, promote, and protect the interests of their members. The US founding fathers considered competing interests as a safeguard for democracy and the rights of individuals (Hamilton, Madison and Jay 1961, p. 361). More recently pluralist scholars viewed state as an arena of conflict where state plays the role of a neutral broker or arbitrator among the competing interests that shape public policy. State institutions set the procedures and the rules of the game and facilitate conflict resolution (Truman 1951; Dahl 1971). Others have pointed out that well organized groups with more financial resources, expertise and access to politicians have more influence on policy outcomes (McConnel 1966, Lowi 1969). Pluralist view is based on the market analogy where competition ensures economic efficiency. They believe that the role of policy makers in designing, implementation and evaluation of public policy is determined by the interest groups and how they organize and articulate demands of their constituents. According to Grindle and Thomas, pluralist model is not easily applicable in many developing countries where societal preferences are not determined by votes and lobbies and where much policy may not be discussed outside the halls of government (Grindle and Thomas 1991, p. 24).

Public Choice Theory

Public Choice theory begins with similar assumptions like the pluralist model. It assumes decision makers as self-interested individuals who form groups around issues based on common interests for the purpose of acquiring public resources (Olson 1965). These groups then use their resources – votes, political contributions, and political connections, money – to extract benefits and rents from government (Colander 1984, pp. 1-13; Srinivasan 1985, pp. 38-58). While the interest groups compete to secure favorable outcomes from public arena, the elected officials desire to hold on to power and get elected and re-elected. They use public resources – expenditure, goods and services, rules and regulations – to benefit those groups who they believe could help them stay in power and get them elected.

The motive of raising funds for re-election may often result in public policies that are detrimental to broader public interest. Organized interest groups further aggravate the problem. These groups often represent the interests of the suppliers who constantly seek favorable policies, laws, rules and regulations to fortify their market ‘niches’ and avoid costly competition. The rewards of seeking political intervention through lobbying are massive for the few suppliers while the costs are

thinly spread amongst the large number of buyers. Investing a portion of their gains in lobbying and bribing political parties, politicians and bureaucrats is of great advantage to the supplier groups. Thus the interplay of supplier lobbies and political parties greatly influences public choices (Kasper and Streit, 1998, p. 291). In Canada, from time to time there have been complaints against lobbyists skewing the public policies to their advantage. Recently Democracy Watch, an advocacy group, demanded strengthening of lobbying restrictions, enforcement systems and penalties for violators (Conacher 2005, p. A21).

The bureaucrats participate in targeting resources at these interest groups to maximize their budgets and build their careers by pleasing their political masters. Public choice theory is popular with neoclassical economists because of its coherence and relatively parsimonious explanation of public decisions. As Grindle points out while in the market place self-interest and competition produce efficiency, in the political arena they generate negative outcomes – capture of state by self seeking narrow interests and distorted policies (Grindle and Thomas 1991, p. 25). Policy makers become trapped in a cycle of declining legitimacy and increased expenditures and are unable to alter the status quo because of the entrenched vested interests. In developing countries this process leads to economic inefficiencies, political instability and widespread corruption. Public choice theory thus promotes a view of politics that is both negative and cynical (Srinivasan 1985, p. 45).

State Centered Models of Decision Making

While the Political Scientists and Political Economists have posited society centered models of policy choices, the Policy Scientists and Economists advocate the policy oriented to individuals or organizations as unique decision makers. They accord the policy maker a substantial amount of autonomy over decision choice. The Rational model begins with clearly a defined objective, and proceeds with options, consequences, a utility function and optimum choice. It assumes that the decision maker is a unique individual or an organization. He/she has clearly defined objectives. He/she can generate all the possible options for achieving the objectives. He/she can predict all the possible consequences both negative and positive. He/she has a utility function to quantify and compare the options in terms of the consequences. Finally because he/she is rational, the option chosen would be optimum or best means to attain the given objective. This is pure theory. In practice objectives are multiple and often not clearly defined. It is costly to generate all the options. It is not possible to predict all the consequences and quantification is often difficult particularly in social policy sectors. The model is useful in first stages of policy formulation where analysts take a first cut at defining the problem and proposing a solution. They choose a few feasible options, often three or four. They can only predict a few major consequences and put dollar values on those.

Decision theorists later modified the rational actor model to “satisficing” and “bounded rationality” models as well as ‘incrementalism’ (See March 1978; Kinder and Wiess 1978). One cannot deny some modicum of rationality in public decision

making and the utility of incremental and ‘satisficing’ models. Pure rational actor model however does not leave much scope for the role of interest groups and other actors outside the bureaucratic organizations. Allison tried to explain the decisions taken during the Cuban Missile Crisis using modified version of rational actor model. He posited Governmental action as choice as the basic unit of analysis and assumed the nation or government as a rational unitary decision maker. Action is chosen in relation to a strategic problem. Rational choice is value maximizing in the light of goals, options and their consequences. Allison’s discussion of soviet and US actions shows that the rational actor model only partially explains the actions of the two adversaries (Allison 1971, pp. 33-35). Organizational Process model goes beyond the top level – state as unitary actors – and focuses on the governmental action as organizational output. According to this model the formal governmental choice is a function of information provided by various organizations. In this model options are limited by the existing capabilities. The decision maker is not a unitary actor. Instead there are multiple decision makers sitting on top of several loosely aligned organizations. Decisions are shaped by the already existing routine -- standard operating procedures, parochial priorities and perceptions of the actors and thus the governmental action is organizational output rather than individual choice (Allison 1971, pp. 78 -87).

More recently we have witnessed a renewed interest in rational decision making due to governments’ search for efficiency and performance measurement. Partially the focus on results is also due to citizens’ demand for accountability and transparency. Over the last decade the governments have focused on tangible results. Agencies are obliged to pay attention to goals, missions, strategies, plans and obtaining results. Government agencies are obliged to publish results oriented performance reports and put them on the internet. Many of these measures in both Canada and the US resemble the efforts of the previous generations of reformers – Planning Programming and Budgeting Systems (PPBS), Zero Based Budgeting (ZBB), Management by Objectives (MOB) and Policy and Expenditures Management System (PEMS). It is not clear to what extent this new emphasis on rational decision making and results has achieved credible results in allocating resources and choosing policy options (Nelson, Robbins and Simons 1998, pp. 478-79).

Governance Paradigm, Public Policy and Civil Society

As the Corporate Governance switches away from the entity of the corporation to what C.K. Prahalad (2000) calls “the networks of dialogues”, the focus of public governance is steadily shifting away from the state to civil society. The role of policy makers – politicians and bureaucrats – is undergoing a change. The rulers or the governors may provide the playing field but they no longer have the monopoly to invent the game or prescribe the rules of the game. The latter have to be negotiated with other stakeholders in the civil society. Governance is no more regarded as the sole monopoly of the government. As Etzioni pointed out, it is the value creating institutions in business and civil society that really govern us and not just the state (Etzioni 1993, pp. 42-43).

Governments, markets and civil society participate in the formulation, implementation and evaluation of public policies. Governance is very much to do with the relationships of the three sectors. This relationship determines how the governments exercise their authority. Mere reforms of the organizational structures and administrative processes are no longer adequate for good governance. Linkages with the civil society have to be developed and promoted. The state actors have to negotiate protocols and disciplines and norms with the civil society. It is these protocols and norms which will determine the tenor of good governance in decades to come.

In developed countries, the concepts of stakeholders, policy network and policy community is taking hold. Partially it is because the civil society organizations are demanding participation in policy formulation and implementation. Partially it is due to the increasing complexity of public policies and dwindling resources of governments, the latter find themselves lacking expertise and information needed for policy design, implementation and evaluation. Sometimes the civil society organizations not only possess required information or expertise but they lend legitimacy to public policies. The role of interest groups in public policy has long been recognized. The influence of business lobbies in Washington, Ottawa and other capitals of the world has been documented.

More recently policy literature has given more attention to policy communities and policy networks. These concepts try to capture the degree to which any policy field or sector is populated by a host of government agencies, interest groups, advocacy groups, civil society organizations and social movements. A policy community is constituted by the government and non government actors in these agencies. They all have common interest in a given policy sector and they compete and cooperate with each other to influence policies. Within policy communities there are network of actors who coalesce around various issues. The emergence of internet, web and email has made it easier for these networks to mobilise a policy community for or against specific policies. Strength or weakness of the state agencies and the non-governmental actors determine the nature of networks that emerge. Leslie Pal asserts that the nature of these policy communities is crucial to policy formulation and implementation. In the formulation phase, the governments often do not have the specialized information and expertise that the non governmental actors have. On the implementation side the more coherent the policy community the easier it is to implement policies targeted to their sector (Pal 1997, p. 187). The success of social policies where implementation requires behavioural change or cooperation on the part of the target groups often depend on the support of civil society groups as intermediaries.

In Canada, government sought to enhance the participation of Non Government Organizations (NGOs), academic institutions and business organizations in foreign policy by creating a Centre for Foreign Policy Development. The Centre organizes annual National Forums to consult a wide range of interested actors (Lee 1998, p. 60-65). A spectacular example of open public policy initiative is the "Ottawa Process" that resulted in the signing of the Convention against the Anti-Personnel

Mines in 1998. The demand came initially from the non-government organizations like the Vietnam Veterans of America Foundation. They were able to develop a huge international network of NGOs including Human Rights Watch, Physicians, the Handicap International and the Mine Advisory Group under the umbrella name of International Campaign to Ban Land – Mines (ICBL). The ICBL pressured the governments in various countries that led to the Ottawa Process.

Over the last two decades the World Bank (and other bilateral aid donors) has promoted good governance as a conditionality of financial assistance. The failure of Structural Adjustment Programmes (SAP) particularly in Sub-Saharan Africa convinced the Bank officials that ‘good’ policies cannot be implemented effectively without the presence of stable governing institutions. Despite the first generation SAPs and accompanying Public Sector Reform programmes, an enabling environment conducive to effective development management was not created. The impediments include weak institutions, closed system of decision making, pervasive corruption, patronage and waste. In view of these experiences the Bank came to the conclusion: "Underlying the litany of Africa's development problems is a crisis of governance" (World Bank 1989, p. 60). This was further strengthened by their assessment of the East Asian Miracle which in their view succeeded because of “a strong institutional framework” that provided the foundations for the economic success (World Bank 1993). Efficient functioning of market economy requires a framework of clear laws and effective legal institutions. This framework is essential for business transactions to take place between individuals. It provides the stable and predictable environment essential for economic interaction. The legal framework refers to the basic set of rules concerning property rights, civil and commercial behaviour and the limits on the authority of the state. The existence of these fundamental “rules of the game” and effective institutions to apply and enforce them is most basic element for any governance system.

A World Bank document defines governance as the manner of exercising power in managing a country’s economic and social resources for development (World Bank 1992, p. xiv). There are three distinct aspects of governance: the forms of political regime, the process of exercising authority, the capacity of government to design, formulate and implement policies and discharge functions. Design and implementation of policy thus depends to a large extent on the type of political regime and the manner of exercising authority (Shah 2002). Governance thus is a broader concept subsuming policy capacity as a subcategory. The nature of political regime and the manner of exercise of authority provide enabling environment surrounding the policy process – design, implementation and evaluation. The effectiveness and efficiency of policy process depends on the nature of political regime and the manner in which authority is exercised. However good the policies they may not survive or be implemented effectively in a politically unstable or a dictatorial regime.

The World Bank’s approach to good governance is wedded to promote a market friendly state – less government and better governance. To accomplish this, the

Bank has undertaken massive programmes of privatization, deregulation, trade liberalisation, currency reform. The civil service reforms and policy capacity programmes have been focused to help the economic reforms. They have focused on legal frameworks – property laws, contract laws – size and wage bill reduction and expenditure management. What is required is to co-opt the competence of the citizens and the civil society organizations to design and implement public policies in the social sectors.

Conclusions

Despite a huge amount of literature from various disciplines policy analysis as a field of inquiry still suffers from a relative lack of conceptual clarity. It has generated many important propositions. It is not clear to what extent the models, theories and propositions are useful to the policy makers. The definition of public policy varies with disciplines and analysts. There is no general theory that explains the entire policy process. Different models and approaches are useful for partial explanations. Policy Process Model conceptualizing the process as stages is useful with certain important caveats. The stages or phases are more conceptual than real. In practice they would overlap and their boundaries are fuzzy. The process appears to be conceptually linear but in reality it is iterative. But the model's simplification of reality is useful for the analysts and policy designers. The Rational Actor model of decision making is an ideal type. Its assumption of decision maker as a unique actor is problematical. It is, however, very useful when policy analysts prepare a first draft of a policy proposal to be considered by political decision makers. It is a good framework to work with. The rational actor model made a sort of comeback because of the emphasis on recent performance measurement and results. Organizational process model is useful to understand the role of agency structures, standing operation procedures and rules and regulations. It is very useful to understand how the decision proceeds within one large organization. The Bureaucratic or Governmental process model explains rather well the situation where a number of heads of agencies come together to make a decision. Finally, though Public Choice approach is somewhat cynical, it does however explain the motivations of various actors and how they influence the decision outcomes.

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