

1 Why policy matters

Public policy is how politicians make a difference. Politicians are the elected decision makers with formal responsibility for complex, intricate subsystems of participants and players. Policy is the instrument of governance, the decisions that direct public resources in one direction but not another. It is the outcome of the competition between ideas, interests and ideologies that impels our political system.

There have been many attempts to define 'public policy', but its meaning and boundaries remain ambiguous. Some policy documents and pronouncements are clearly expressions of public policy. Others are of uncertain status. For example:

- A bill states policy but may not pass parliament.
- A white paper states government policy intentions but these may not be realised.
- A ministerial statement might be policy, or it might just be one view on the way to the government forming a position.
- Election platforms describe a political party's intentions, but do they state the policy of the resulting government?
- Is it 'policy' when departmental activities proceed without explicit statement of intent, continuing from government to government, never exciting public interest or political scrutiny?

Hal Colebatch (1998, 2006) has explored the many definitions offered for 'public policy'. Often, policy is no more than 'whatever governments choose to do or not to do'. Sometimes we use the term to describe very specific choices, but the notion also embraces



SNAPSHOT

We can agree public policy is important without being certain of the definition. However, we can describe some important characteristics of public policy. It:

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

This chapter describes public policy as an authoritative statement by a government about its intentions. It also views public policy as relying on hypotheses about cause and effect, and as structured around objectives.

Policy implies:

- authority
- expertise
- order.

Colebatch (1998:7)



general directions and philosophies. There are also times when ‘policy’ becomes clear only in retrospect; we look back and discern the patterns and continuities of a set of choices, and call these ‘policy’.

This multitude of meanings is inevitable, since policy is a shorthand description for everything from an analysis of past decisions to the imposition of current political thinking.

This chapter describes policy in three different but compatible ways. First, policy can be the *authoritative choice* of a government. Second, policy is an *hypothesis*, an expression of theories about cause and effect. Finally, policy is explored as the *objective* of governmental action.

POLICY AS AUTHORITATIVE CHOICE

Public policy emerges from the world of politics. This can be a chaotic place in which ideas must find a path between the intentions of politicians, the interests of various government institutions, the interpretations of bureaucrats and the intervention of pressure groups, media and citizens.

Central to this political world is the executive, that group of ministers around the leader, who exercise the authority of government on behalf of the parliament. Ministers understand the political nature of their work, but also appreciate that other players need authoritative statements of policy direction. Power is exercised through the ability to issue directives and decisions expressing intention. Through policies, governments make their mark. From the chaos of politics must emerge the certainty of action.

Policy, then, can be seen as an authoritative response to a public issue or problem. This suggests that public policy:

- is *intentional*; public policy means pursuing specific government goals through the application of identified public or private resources
- is about *making decisions* and testing their consequences
- is *structured*, with identifiable players and a recognisable sequence of steps
- is *political* in nature, expressing the electoral and program priorities of the executive.

Public policy is ‘deciding at any time and place what objectives and substantive measures should be chosen in order to deal with a particular problem, issue or innovation’.

Dimock et al. in Colebatch (1993:33)

Public policy is about what governments do, why, and with what consequences.

Fenna (2004:3)

Politics is about who gets what, when and how.

Lasswell (1951)



Policies reached through a decision making framework:

- express a considered response to a policy issue
- help shape a government's philosophy
- are an authoritative framework of the government's beliefs and intentions in the policy area.

Policy decisions are authoritative because they are made by people with legitimate power in our system of government. These decisions might bind public servants to act in a particular way, or direct future action (such as preparing legislation for parliament's consideration) or allocate money to a program.

But realistically, even authoritative decisions may not be realised with the slip between hope and outcome all too familiar. Nor does the authoritative nature of public policy mean that government has deliberated on every issue. Each government must work from the legacy of its predecessors, and comfortable bureaucratic routines often reflect an ancient policy decision. It is all the more important, then, for a well developed policy process to ensure that intentions are regularly considered and examined against results.

POLICY AS HYPOTHESIS

Policies are built on theories of the world, models of cause and effect. Policies must make assumptions about behaviour. They contain incentives that encourage one behaviour over another, or disincentives to discourage particular actions. Policies must incorporate guesses about take-up and commitment, and mechanisms to deal with shirking and encourage compliance.

But public policy is not a laboratory experiment, and it is difficult to test behavioural assumptions before a policy is implemented. Cabinet might, for example, judge that a package of taxation measures will elicit a desired response from the citizens. Until the government announces the tax and measures its effects, ministers remain unsure whether they have correctly identified cause and effect in the tax system.

Policy is created amid uncertainty, and tested in the most demanding of circumstances. Policy makers learn by finding and correcting errors in policy assumptions and design. They

PUBLIC POLICY VERSUS PRIVATE POLICY

Public policy is a course of action by government designed to attain specific results. Non-government organisations have policies too, but they cannot call on public resources or legal coercion in the same way.

Policy can be seen as:

- a label for a field of activity
- an expression of general purpose or desired state of affairs
- specific proposals
- decisions of government arising from crucial moments of choice
- formal authorisation—a specific act or statute
- a program—a particular package of legislation, organisations and resources
- output—what government actually delivers, as opposed to what it has promised or has authorised through legislation
- the product of a particular activity
- theory—if we do X, then Y will follow
- a process unfolding over a long period of time.

Adapted from Hogwood and Gunn (1990:13–19)

improve policy by recognising changes in the environment as well as associated shifts in the needs and desires of the community and elected officials. Time can completely transform the policy making environment and this must be accommodated. Opportunities should be exploited, risks managed. Appreciation for policy environment is as important as shifts in government priorities, resources and contexts.

Good policy processes will make behavioural assumptions explicit, so that decision makers understand the model of the world that supports a recommendation. To think of policy as hypothesis puts into words the mental calculations that guide all policy advisers and makers.

Understanding policy as hypothesis also stresses the importance of learning from policy implementation and evaluation. Good policy making assumes an ability to draw lessons from policy experience and to apply those lessons in the next turn through the policy cycle. Given the multiple players in policy making, and the often drawn-out processes involved, incorporating policy learning can be difficult. As Levi-Faur and Vigoda-Gadot (2006:254) point out, policy learning is not an uncritical transfer of policy such that governments become 'rule takers rather than rule makers'. Hence the need for a structured policy process, so that learning is documented and passed on with an eye for extracting useful lessons and general principles that might be applied locally to particular demands. Only then can opportunities be exploited and risks managed.

American policy analyst Aaron Wildavsky (1987:393) observed, 'we hope that new hypotheses expand into theories that better explain the world'. These better theories, guided by the results of evaluation, become the basis for improved public policies.

POLICY AS OBJECTIVE

Public policy is ultimately about achieving objectives. It is a means to an end. Policy is a course of action by government designed to attain certain results.

The policy process must help decision makers clarify their objectives. A policy without purpose may do a great deal of harm. When policies that lack point or coordination take effect,

programs begin to draw in different directions, the overall strategy disappears, and commentators soon speak of a government 'losing its way'.

Good policy advice avoids this trap by making explicit:

- the form of authoritative statement required
- the model of cause and effect underpinning the policy
- the goals to be achieved.

As later chapters illustrate, an effective policy cycle checks a particular policy proposal against the broader objectives of government. Through consultation and interaction, the policy cycle encourages consistency, so a new policy will fit into the wider picture of government activity. Public policy is made by many people, in a chain of processes that includes analysis, implementation, evaluation and reconsideration.

This coordination is only possible, though, if policy objectives are stated clearly and honestly. When intentions are uncertain or contradictory, a policy has little chance of success. Setting an objective is the first step in a long process. It is also the most important since only an objective can give point and reason to a public policy choice.

It is easy to lose sight of policy objectives. The 'solution' may become more important than the problem. Policy activity is very fast moving; once a decision is made, work gathers momentum. Time and authority to reflect on the chosen direction are limited, allowing a poor decision to cascade into a policy far removed from the original intention.

Objectives may be overtaken by unintended consequences—side effects discovered only after the policy is implemented, and which undermine the policy's effect or create new, complex problems. A scheme to license a particular activity can create a powerful elite, strongly wedded to the policy and so politically influential that later modification becomes costly and difficult. Taxation relief may distort the market for goods or services other than those originally targeted.

To keep policies focused on objectives, policy makers rely on a policy cycle that includes project planning and evaluation. Along the way they are likely to ask:

- What is the purpose of the policy?
- How will it affect:
 - overall government direction
 - the department
 - client groups
 - interest groups
 - society?
- What is the relationship between the means of implementation and the policy objectives?
- Are there other means of implementation that are simpler?
- How will this policy relate to other government objectives?
- Can it make a difference in the ways intended?

Through a systematic policy cycle, decision makers seek an authoritative choice, based on a plausible hypothesis, that can deliver required outcomes. This deceptively simple formula sums up the challenge of good public policy.

THE POLICY MAKING ENVIRONMENT

Viewing policy as an authoritative choice, based on plausible hypotheses that can deliver required objectives, compels us to consider the environment within which policy making occurs. Attention to the policy making environment raises new questions as well as demanding consistent tackling of enduring issues. Society continues to grapple with how to allocate scarce resources and provide basic services such as health, education, community order and transport. Governments continue to tax and spend, to regulate and reform, to legislate and monitor, to engage in conflict as much as to seek peace. The political landscape is familiar in its constraints and opportunities.

But today there are overlays that lend new parameters to the policy making arena. The demands of globalisation and localisation promote new ways of looking at the world and fresh calls for innovative cultural practices that deliver global solidarity at the same time as renewed local identity. Changed technologies have also created an invasive media presence and a communications focus based on emotional persuasion, marketing and promotion. It has been said that policy making is nine-tenths press release and one-tenth substance. In the contemporary

We have two types of politicians—the incapable and those capable of anything.
Slogan written on a wall in Paraguay,
The Economist (2001)

policy making environment, good policy ideas are assessed for their emotive fit as much as—and often rather than—against criteria of logic, consistency, intellectual rigour or political coherence. Timing imperatives, too, have shifted to accommodate the pressures of continual media scrutiny resulting in policy makers being forced to account for their actions, respond to disasters and present solutions on hand with breathtaking immediacy. Disenchantment and institutional breakdown are propelling shifts towards greater participation and trust-building activities. Governments are moving to engage in networked governance and more fluid interaction between different sectors of society in the policy process.

These are just some of the overarching factors characterising the contemporary policy making milieu. Their detail will be canvassed in later chapters of this handbook as we progress around the policy cycle. The point for now is that policy makers are expected to be attentive to the policy making environment, no matter how subtle or dramatic the shifts in terrain or how familiar the landscape might appear.

UNDERSTANDING POLICY MAKING

Policy making matters in the academic literature as much as in political practice. The literature is home to a range of models and debates, sparking critique and stimulating reappraisal of mindsets and approaches. These contending texts are encouraging evidence of a concerted pursuit of improved policy making processes and understandings. Policy makers should always glean the value of original or improved frameworks for appreciating the policy process in an effort to secure improved practical outcomes.

DIFFERENT WAYS OF CONCEPTUALISING THE POLICY MAKING PROCESS

A wide array of debates and theories exist in the literature as theoreticians aim to assist practitioners understand and appreciate the policy making process. Some latest edition texts to consider include:

- Bardach, E. 2000. *A Practical Guide for Policy Analysis*, New York: Chatham House.
- Birkland, T.A. 2005. *An Introduction to the Policy Process: Theories, Concepts and Models of Public Policy Making*, Armonk: ME Sharpe.
- Colebatch, H.K. (ed.) 2006. *Beyond the Policy Cycle: The Policy Process in Australia*, Sydney: Allen & Unwin.
- Considine, M. 2005. *Making Public Policy: Institutions, Actors, Strategies*, Cambridge: Polity Press.
- Fischer, F. 2003. *Reframing Public Policy: Discursive Politics and Deliberative Practices*, Oxford: Oxford University Press.
- Geva-May, I. (ed.) 2005. *Thinking Like a Policy Analyst: Policy Analysis as a Clinical Profession*, New York, Palgrave Macmillan.
- Kay, A. 2006. *The Dynamics of Public Policy: Theory and Evidence*, Cheltenham UK: Edward Elgar.
- Kjaer, A. 2004. *Governance*, Malden MA: Policy Press.
- Pal, L.A. 2006. *Beyond Policy Analysis: Public Issue Management in Turbulent Times*, 3rd edn, Toronto: Thomson Nelson.
- Radin, B. 2000. *Beyond Machiavelli, Policy Analysis Comes of Age*, Washington DC: Georgetown University Press.
- Weimer, D.L. and Vining, A.R. 2005. *Policy Analysis: Concepts and Practice*, 4th edn, Upper Saddle River NJ: Pearson Prentice Hall.