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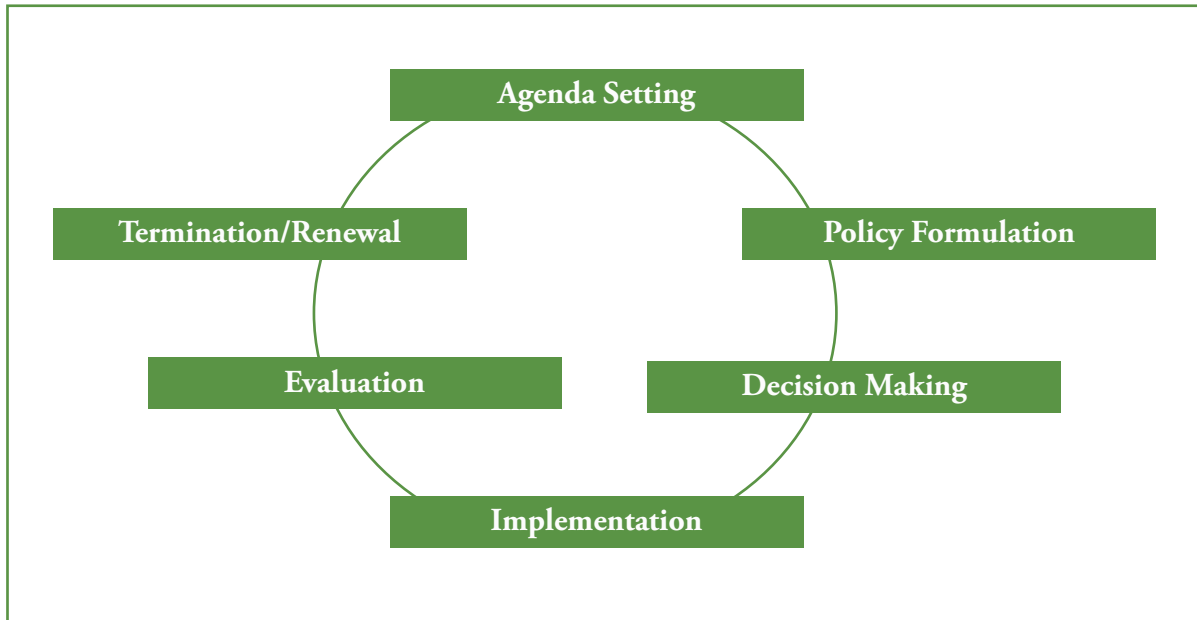
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The public policy process is at the heart of effective policy making and good public policy. Howlett, Ramesh and Pearl (2009) have posited that the policy process involves six somewhat distinct phases, including agenda setting, policy formulation, decision making, implementation, evaluation and termination or renewal.



The essays in this collection were selected from among 27 final assignments submitted in April 2010 in partial fulfillment of the course requirements for PUBP 806.3—Public Policy Processes—at the University of Saskatchewan. They represent a range of contemporary views from new voices on the challenges of the policy process in the 21st century.

AGENDA SETTING – IDENTIFYING TRUE CAUSES OF SOCIAL PROBLEMS

PATRICK FALASTEIN

Abstract: Agenda setting is the first step in the policy cycle; it is concerned with the identification of problems for government attention. If one assumes that a flawed problem definition leads to a flawed solution, the implications are far reaching. Utilizing a “causal pie” (Rothman 2002), approach to problem definition, it stands that the then developed solutions would go further to address the real causes of a problem. Throughout the policy literature (Dye 1984; Stone 1989; May 1992; Cobb & Ross 1997; Howlett, et. al 2009) there is mention of a causal approach however the implementation has been a source of difficulty. For the most part, causal theory of problem identification still seeks to identify a single cause of a particular problem. In practice rarely are the true causes of a problem singular.

Keywords: causal pie, multicausation, problem definition, agenda setting

INTRODUCTION

Agenda setting is the first, and in the opinion of this writer the most critical, step in the policy cycle; it is concerned with the identification of problems for government attention. Howlett, Ramesh & Perl (2009) con-

tend that manner and form, in which problems are recognized, if they are recognized at all, are important determinants of whether, and how, they will be ultimately be addressed. At their most fundamental level agendas are lists of problems for governments to address or not address.

The process of public policymaking has commonly been depicted in terms of a natural logical sequence (Rochefort & Cobb 1993, p. 56); through the collection of data, a troubling social condition is identified. Public officials then assess the identified problem and its causes in order to respond as efficiently as possible through such means as new legislative enactments. Attention continues until the distressing concern is alleviated. This “rationality perspective” has been utilized by many writers on the governmental process, appearing in the literature of such fields as economics, political science, management, administrative science, and budgeting (Dye 1984, p. 31).

A KEY ASPECT OF THE PUBLIC POLICY PROCESS

This entire perspective and its functionality is dependent on the assumption that the identified problem is in fact the correct problem; “agenda conflicts are not just about what issues government chooses to act on; they are also about competing interpretations of political problems and the alternative worldviews that un-

derlie them” (Cobb & Ross 1997, p. 34). Problem definition is a package of ideas that includes, at least implicitly, an account of the causes and consequences of undesirable circumstances and a theory about how to improve them. As such, it serves as the overture to policymaking, as an integral part of the process of policymaking, and as a policy outcome. In each of these roles it seems to exert influence on government action (Weiss 1999).

Causal reasoning about policy problems form the basis of Stone’s (1989) theory of problem definition. These theoretical perspectives suggest a form of learning that consists of the use of experience, or other feedback, either to reaffirm or revise causal reasoning about policies, targets, and outcomes (May, 1992). For Stone (1989) “causal stories” include both an empirical and a moral dimension. Empirically, they purport to demonstrate the mechanism by which one set of people brings about harm to another group. From the normative perspective, they blame one set of people for causing the suffering of others. From both perspectives, causal stories move situations intellectually from the realm of fate to the realm of human agency (p. 283).

For a particular problem it is conceivable that there are several possible definitions; that is, it is not difficult to conceive of several different, possibly contradictory, causes and conse-

quences. For example, Saskatchewan has identified wait times for certain elective orthopedic surgeries as a problem. As such the Saskatchewan Party has announced an infusion of \$10,000,000 to fund surgeries at private clinics in order to reduce the existing wait list. There is a clear logic to the decision; wait times are too long therefore offering more surgeries and wait times will be reduced.

CRITICAL ASSESSMENT

There is rationality to the logic of the Sask. Party; however, is their decision necessarily logical? To draw an analogy, when one changes the position of a light switch on the wall, one can see the instant effect of the light going on or off. There is more to the causal mechanism for getting the light to shine than turning the light switch to the 'on' position. Suppose the electric lines to the building are down in a storm. Turning the switch will have no effect. Suppose the bulb is burned out. Again, the switch will have no effect. One cause of the light going on is having the switch in the proper position, but along with it we must include a supply of power to the circuit, a working bulb, and wiring. When all other factors are in place, turning the switch will cause the light to go on, but if one or more of the other factors is not playing its causal role, the light will not go on when the switch is turned. The question of causality, or the subjective construction of policy

problems, is not addressed in the Sask. Party's decision and in the opinion of this writer is nearly never addressed within government. More often a single cause of a problem is addressed, although, as was the case with the light bulb example, there are often several causes of a problem. In the case of knee surgeries other causes of a length wait may include: volume, Sask. performs more orthopedic surgeries per capita than most provinces in Canada; criteria/eligibility, the surgeries being funded are classified as 'elective' perhaps other provinces have more stringent surgical criteria; or individual factors, people in Saskatchewan are generally older and more overweight than most other provinces in Canada (www.statcan.gc.ca). If any of these factors are considered to contribute to the problem of surgical wait times, then simply performing more surgeries for one year will not resolve the problem of surgical wait times. In short, at there are multiple causes to most problems. Very rarely is there a single cause to most social problems however, governments tend to offer single edged solutions which lead one to believe there are deficiencies in problem definition.

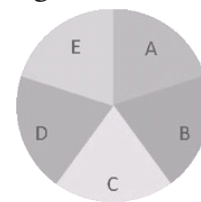
There are multivariate models of problem identification. The "funnel of causality" (King 1973; Hofferbert 1974; Simeon 1976) is a model for problem identification that seeks to understand relationships between social, institutional, ideational, political

and economic conditions (Howlett, et. al 2009, p. 99). King (1973) described agenda setting through the funnel of causality as being shaped by socioeconomic and physical environment, the distribution of power in society, the prevailing ideas and ideologies, the institutional frameworks of government, and the process of decision making within government. This approach allows for empirical exploration of relationships between variables and problem definition although it does not explain reasons for the relationships.

STRATEGIC IMPLICATIONS

If one assumes that a flawed problem definition leads to a flawed solution the implications are far reaching. If decision makers were to adopt a "causal pie" (Rothman 2002), approach to problem definition, it stands that corresponding solutions would go further to address the real causes of a problem. Causal pie is an epidemiological term that is used as a way of understanding cause of disease (Figure 1).

Figure 1



Where one could imagine several factors contributing to the instance of disease, 20% may be genetics, 20%

lifestyle (alcohol/tobacco), 20% exposure to pollution, 20% obesity and 20% others. Each of these factors explains 20% of disease. If one were to apply the 'causal pie' or the concept of multicausality to public policy problem definition there appear some obvious deficiencies. Throughout the policy literature (Dye 1984; Stone 1989; May 1992; Cobb & Ross 1997; Howlett, et. al 2009) there is mention of a causal approach however the implementation has been a source of difficulty. For the most part, causal theories of problem identification still seek to identify a single cause of a particular problem.

In practice rarely are the causes of problems addressed; the cause of the low income housing shortage, is not a small number of available low income homes, it is an increase in the number of people who are low income. The policy response would change greatly depending on how the problem is defined. If one were to define the low income housing problem as a shortage of homes, the solution would be to devote more resources to the creation of space for low income people. However, if one were to define the low income housing problem as an increase in the number of low income people, the solution would be some means to increase the income of low income people in any number of ways. If one were to pursue the latter further, you come to the conclusion that the individuals were low

income because they could not get high paying jobs. The response may be to provide an economic stimulus to create more jobs. Further still, you may find that people could not get jobs because they could not afford postsecondary education. Now, the response would be to provide postsecondary education subsidies. By adopting a multicausal approach a government may have subsidized post secondary education and stimulated the economy, in order to address the low income housing problem.

CONCLUSION

Agenda setting is the process of identifying the problems that are going to receive the attention of the government. The manner and form that problems are recognized, if they are recognized at all, are important determinants of whether, and how, they will be ultimately be addressed. In the absence of a multicausal approach, public policy may be doomed to fall short in addressing identified problems. Saskatchewan is facing an impending financial crisis in health care as expenses climb at a rate that exceeds the rate of growth of the provincial budget. By applying the "causal pie" to our problem definition focus will begin to shift from providing more service to understanding why service is needed.

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POLICY FORMULATION – CRITIQUE, ANALYSIS AND STRATEGIC IMPLICATIONS

ALISON HAMILTON

Abstract: The policy formulation stage is an important component to the public policy process. This paper examines the policy formulation stage of the policy cycle model for the public policy process. Why certain policy options are either accepted or rejected by policy makers is an important aspect of this stage. Further, this paper examines the strengths and weaknesses of policy formulation before discussing the strategic implications of policy formulation on public policy today. The strategic implications include the process of formulating policy options, gender-specific measurements, elimination of policy options, and proper presentation of policy options.

Keywords: public policy, policy formulation, strengths, limitations, implications

INTRODUCTION

Many different models of the public policy process have been identified over the years. A commonly used model is the five stage policy cycle (i.e. agenda setting, policy formulation, decision making, policy implementation, and policy evaluation).

Although all components of the five stage policy cycle are important, it is the process of policy formulation that will be examined in greater detail in this essay. Why certain policy options are either accepted or rejected by policy makers is an important and intriguing aspect of the policy formulation stage. This paper examines the strengths and weaknesses of the policy formulation stage before discussing the strategic implications of policy formulation on public policy today.

POLICY FORMULATION

Once a government has identified that there is an issue to address, policy formulation is the next and second step in the public policy process. Regardless of how an issue comes to the government's attention or finds itself on the government's agenda, policy formulation is the process of "defining, considering, and accepting or rejecting options" (Howlett and Ramesh 1995, 122). An important aspect of policy formulation is that it "involves the elimination of policy options, until one or only a few are left from amongst which the policy-makers make their final selection" (Howlett and Ramesh 1995, 123). The policy formulation stage is the process of trying to legitimize the options, providing legitimate choices and ensuring that all of the policy options that are submitted are creditable (Lecture notes February 1, 2010). This stage determines whether the options will suggest a change, and

if so what the new proposed course of action will be, or maintain the status quo.

Critical Assessment

One strength of the policy formulation stage is that before formulating policy proposals, policy makers must ensure that there is a meaningful definition of the problem as well as a clear problem statement (Health Canada). In order to formulate good policy options, policy makers need a comprehensive understanding of the problem. By formulating a clear and meaningful problem statement, the goals of the policy are established and then objectives can be determined. The objectives are the desired end states, with appropriate consideration for the target populations as well as limited time and resources (Health Canada). The criteria that is established is to be the measurable dimension of the objectives and will be used to compare the different policy options against one another. The different criteria may include: administrative, political, technical, equity, and economic criteria (Pirango 2007). Policy makers will then have to identify policy options and consider the different constraints (i.e. political, economic).

Policy subsystems play an important role at the agenda setting stage of the policy cycle. However, the policy subsystems that are involved in policy formulations differ from those at the

agenda setting stage. Importantly, during the policy formulation stage there is less public involvement and these policy subsystems must have at least minimal knowledge of the issue at hand (Howlett and Ramesh 1995, 125). Policy subsystems, such as policy communities and policy networks have played an important role in policy formulation in areas such as fisheries policies, women's issues, environmental issues, and information policy (Howlett and Ramesh 1995, 131). Having policy options identified from more than one source or set of actors is beneficial, but having too many actors involved in policy formulation can also be problematic as competing interests can make consensus building difficult.

A key assumption, according to public choice theorists is that politicians choose policies with seemingly voter appeal. Welfare economists, however, argue that "governments must do what is optimal" (Howlett and Ramesh 1995, 123). In practice, however, policies that a government chooses to implement are not solely based on either their appeal to the voter or due to the best economic outcome as there are other important factors requiring consideration.

Another benefit of the policy formulation stage is that policy makers can reject particular options if they appear "unworkable or unacceptable [as that] is sufficient for its exclusion from

further consideration in the policy process" (Howlett and Ramesh 1995, 124). Other limitations policy makers encounter include procedural or substantive constraints that may lead them to reject particular options. Substantive constraints are those innate to the nature of the problem. Procedural constraints are those involved in adapting or carrying out an option and may be either institutional or tactical (Howlett and Ramesh 1995, 124). A case in point is the failure of provincial governments to assist with Aboriginal issues because the Constitution states Aboriginal rights are under federal jurisdiction (Lecture notes February 1, 2010).

A weakness of policy formulation is that many of the issues requiring policy intervention in the public sector are complex, multifaceted and not under one single administration or portfolio. Also, since policies are rarely developed with a single goal or objective, conflict may arise between objectives and this conflict could be an issue (Piango 2007). Another weakness is that policy options may have been assessed by different decision criteria (e.g. technical, economic, and political). Not all of these decision criteria can be converted into comparable units (i.e. dollar value) and this may present difficulties in trying to display the information in a way to facilitate decision making (Piango 2007).

STRATEGIC IMPLICATIONS

There are numerous strategic implications that policy formulation has on public policy today. Firstly, even though policy options can come from more than one source or set of actors, it is the way in which policy options are formulated that can lead to strategic implications. Factors such as if and how the public or other stakeholders are engaged in consultations and whether their feedback is incorporated into the policy option, all send messages about the process of formulating policy options. This may ultimately lead to how a policy is perceived, if it is selected and implemented.

Another strategic implication is that policy makers do not always include meaningful gender-specific measures when developing and analyzing policy options. Understanding how the different policy options may benefit or challenge men and women, boys and girls is important to gender-based analysis and should be one of the lenses through which a policy is viewed (Status of Women Canada 1998).

Determining the proper method to present the assessments of the policy options may also have strategic implications. Should policy makers use the greatest net present value, the greatest internal rate of return or the largest benefit-cost ratio? (Piango 2007). As different policy options may have been assessed by different decision

criteria, determining the proper method may present difficulties in trying to display the information in a way that facilitates decision making.

Finally, it is also important to consider how and why policy makers decide to exclude policy options from consideration at the policy formulation stage. When assessing policy options the strengths and weaknesses of each option are evaluated by using different analytical tools including: forecasting, costs-benefit analysis, risk assessment and environmental impact assessment (Piango 2007). As it is unlikely that a policy's effects will be neutral (i.e. as most policy options create some winners and some losers) a lot is said by the policy options that are selected at the next stage of decision making (Howlett and Ramesh 1995, 123).

CONCLUSION

The elimination of policy options in the policy formulation stage is an important component to understand. By understanding the process of formulating policy options, the implications of different decision criteria and proper presentation of policy options provides a comprehensive understanding of why policy options are eliminated and is important for understanding public policy decision making in today's environment. Furthermore, it is important that both the strengths and weaknesses of this stage and the strategic implications are fully understood in order to provide

realistic, evidence-based policy options that are creditable within the current policy environment and in alignment with the government's objectives.

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DECISION MAKING – TOWARDS A MORE HOLISTIC APPROACH

PAUL BRETSCHER

Abstract: This essay explores the behavioral microfoundations of the decision-making process, and argues for a new way forward in the instruction and practice of public administration. This essay first reviews and analyzes the traditional models: comprehensive rationality, bounded rationality and irrationality. This essay then reviews the intendedly rational model, which incorporates decision heuristics and cognitive biases and concludes by arguing that the intendedly rational model represents the future for understanding decision-making in public administration.

Keywords: decision-making, rationality, heuristics, cognitive biases

INTRODUCTION

There has been considerable interest by students of public administration in the decision-making process. While decision-making is clearly the most highly theorized area of the policy process, the academic debate surrounding the relative strengths and weaknesses of various theories appears tired and directionless. Students firmly ensconced within the strict boundaries of the discipline should be forgiven for yawning and wanting more. Fortunately,

a brighter future exists outside the confines of public administration.

An exciting dialogue has emerged between behavioral economists, psychologists, cognitive scientists, and organizational theorists concerning the microfoundations of decision-making. New insights to explain the heuristics decision makers' employ, and the cognitive bias they hold, have gone a long way to paint a more accurate and robust picture of the decision-making process. Fortunately, in fields like business administration¹ and political science², these new insights have been welcomed and internalized. Unfortunately, and for reasons unexplained, these new insights have largely been unable to penetrate the study of public administration.

WHY THE DECISION-MAKING PROCESS MATTERS

Developing an accurate description of how decision makers operate in the decision-making process is critically important for students of public administration. Without an understanding of the rule that decision makers' use, and the cognitive biases they hold, we are bound to make costly mistakes. Policy analysts, for example, who present information to decision makers, must be aware of how they frame their recommendations.³ Decision makers must also be aware of the biases they hold; if not, they will have no opportunity to adjust, and will

likely end up promoting sub-optimal solutions. Therefore, in both study and practice, properly theorizing the decision-making process is fundamental to public administration.

It is the intention of this essay to explore the behavioral, microfoundations of the decision-making process, while arguing for a new way forward in the instruction and practice of public administration. I will first briefly review the traditional models of decision-making the public policy process: (1) the comprehensively rational model; (2) the boundedly rational model; and (3) the irrational model. Next, this essay will review what I am terming the intendedly rational model, which incorporates new insights of decision heuristics and cognitive biases. This essay will then briefly examine the strategic implications for practitioners of public policy when these new insights are ignored. Finally, I will conclude by arguing that the discipline of public administration should incorporate these new insights, as failure to do so will result in poorer decisions and lackluster public policy.

CRITICAL ASSESSMENT AND ANALYSIS

The comprehensively rational model of decision-making remains the starting point for students of public administration. Here, we have an actor, the decision maker, searching for utility maximizing (hence, optimizing) solutions. In this model of

decision-making, we assume:⁴

- 1) A well defined problem;
- 2) A full array of alternatives to consider;
- 3) Full baseline information;
- 4) Full information about the consequences of each alternative;
- 5) Full information about the values and preferences of citizens; and
- 6) Fully adequate time, resources, and infinite cognitive capacity.

In this formulation of the decision-making process, there is in fact no decision to be made. Once the analysis is complete, the optimal decision is chosen, as it is the only rational course of action.

As many have noted, the decision-making process is inherently more complex. Charles Lindblom, in the late 1950s, famously wrote that the comprehensively rational model “assumes intellectual capacities and sources of information that men simply do not possess, and it is even more absurd as an approach to policy when time and money that can be allocated to a policy problem is limited, as is always the case.”⁵ Therefore, students of public administration looked for alternative models of the process.

The *boundedly rational* model emerged in the 1950s in contrast to the traditional, comprehensively rational interpretation of decision-making. Here, Herbert Simon argued that decision makers were cognitively

bounded, and were faced with the following conditions:

- 1) Ambiguous and poorly defined problems;
- 2) Incomplete information about alternatives;
- 3) Incomplete baseline information, the background of the “problem”;
- 4) Incomplete information about the consequences of supposed alternatives;
- 5) Incomplete information about the range and content of values, preferences and interests; and
- 6) Limited time, limited skills, and limited resources.

Simon further argued that far from seeking maximizing solutions, decision makers simply tried to satisfy whatever criteria they have set for themselves in advance (this became known as the ‘satisficing’ heuristic). Hence, once a solution is found which meets the minimum criteria set by the decision maker, the search process is stopped, and a decision is taken.^{6,7}

In the late 1970s, James March and Johan Olsen developed the now famous *garbage-can model* of decision-making,⁸ which, fundamentally, is the *irrational model*. Here, problems, solutions, and participants are dumped into a garbage can. When a choice opportunity arises (what John Kingdon termed a *policy window*⁹) some mix from the garbage can emerges, in no meaningful way. As Jonathan Bendor

and his colleagues so forcefully noted, the garbage can theory is “strange” and “pathological”, it’s as if “Alice has gone through the looking-glass, and nothing is as it seems. Choices happen for no apparent reason. Outcomes are divorced from intention. Solutions are disconnected from problems. People wander aimlessly in and out of the decision arena.”¹⁰ Indeed, in March and Olsen’s grounding of the irrational model, decision makers have no preferences, and are fundamentally unable to take purposeful action.

Finally, we move to the *intendedly rational model*. Although not fully developed, the broad contours of this model are becoming apparent. Like Herbert Simon, the intendedly rational model assumes that decision makers are cognitively bounded. However, unlike bounded rationality, this model assumes that decision makers occasionally employ heuristics, or intuitive judgments (often described as “rules of thumb”), to make decisions. Moreover, the model assumes that decision-makers have cognitive biases, that is, a systematic deviation in judgment from a standard comparison. It is often the case that when decision makers employ heuristics, they will succumb to cognitive biases, which leads to biased, or erroneous, decision making.

Two individuals, Daniel Kahneman and Amos Tversky, completed much of the groundbreaking work in this area, and therefore we will focus here

on their contributions to the debate. Some of the heuristics that Kahneman and Tversky identified include:

- 1) Anchoring: Decision makers start with an implicitly suggested reference point (hence the anchor), and then make adjustments to reach an estimate/decision.
- 2) Availability: Occurs when a decision is made simply on how easily a relevant, and similar, solution can be brought to mind.
- 3) Representativeness: Decision makers tend to judge the probability of an event by finding a ‘comparably known’ event and assuming that the probabilities will be similar.¹¹

While far from an exhaust list of all the heuristics discovered by Kahneman, Tversky and others, it is simply important to note they have been incorporated into the intendedly rational model of decision-making.

In addition to heuristics, much work has been done to identify the cognitive biases that all decisions makers face. Some of these cognitive biases include:

- 1) Confirmation: the tendency for decision makers to search for, or interpret, information in a way that confirms their preconceptions.¹²
- 2) Overconfidence: the tendency for decision makers to assume that they have vastly superior skills, relative to the average.¹³
- 3) Cognitive Dissonance: the tendency of decision makers to ignore

disconfirmation information when they hold an *a priori* belief or solution.¹⁴

Broadly defined, the intendedly rational model is more holistic, and allows us to better conceptualize the behavioral microfoundations of decision-making. Unlike the rational, boundedly rational, or irrational models of decision making, the intendedly rational model takes us one step closer to a realistic and accurate description of decision makers in the real world.

STRATEGIC IMPLICATIONS: THE EUROFIGHTER EXAMPLE

What happens when policy analysts and decision makers do not understand the heuristics and cognitive biases that exists in the real world? The answer is often poor public policy. In a brief yet interesting study, Dan Lovallo and Daniel Kahneman examined the development of the Eurofighter. The authors argue that this project was a prime example of executive overconfidence, in which decision makers overestimated the benefits and underestimated the costs. Second, the authors argue that the decision makers suffered from an anchoring bias, in which they stuck to their original projections, and failed to make appropriate changes. As Lovallo and Kahneman note:

“In early 1980s, the UK, Germany, Italy and Spain announced that they would work together to build the Eurofighter, an advanced military

jet. The project was expected to cost \$20 billion and the jet was slated to go into service in 1997. Today, after nearly decades of technical glitches and unexpected expenses, the aircraft is yet to be deployed, and project costs have more than doubled, to \$45 billion.”¹⁵

Clearly, only if we appreciate the biases that decision makers hold, can we develop and implement effective mitigation techniques before an important decision is made.

CONCLUSION

Charles Lindblom once said that the teaching of public administration was so devoid of reality that it left decision makers “in the position of practicing what few people preach.”¹⁶ Fifty years later, this statement still rings true. Public administration, as a discipline, needs to embrace the promising research agenda represented by the intendedly rational model of decision-making. If academics and practitioners of the discipline cannot accept and integrate these insights of decision heuristics and cognitive biases, we will all be worse off. We, collectively as a society, will make poorer decisions, resulting in suboptimal public policy.

Endnotes

- ¹For example, see: Michael Watkins and Max H. Bazerman, "Predictable Surprises: The Disasters You Should Have Seen Coming," *Harvard Business Review*, July, 2003, pp. 57-63.
- ²For example, see: J. Mercer, "Prospect Theory and Political Science," *Annual Review of Political Science*, 8, 2005, pp. 1-12.
- ³As Kahneman and Tversky have noted, how value propositions are framed can have a significant impact on a decision. For more, see: Daniel Kahneman, and Amos Tversky, "Choices, Values and Frames," *American Psychologist*, 39, 1984, pp. 341-350.
- ⁴John Forester, "Bounded Rationality and the Politics of Muddling Through," *Public Administration Review*, 44 (1), 1984, pp. 23-24.
- ⁵Charles E. Lindblom, "The Science of 'Muddling Through,'" *Public Administration Review*, 19 (2), 1959, p. 80.
- ⁶Michael Howlett, et. al., "Studying Public Policy: Policy Cycles and Policy Subsystem, 3rd Edition," Oxford: Oxford University Press, 2009, p. 145, 146.
- ⁷Though not directly pertinent to the microfoundations of the decision-making process, it is worth noting that Charles Lindblom adopted Simon's view of bounded rationality, and created the canonical incremental model of decision-making (popularly known as incrementalism). For more, see: Charles E. Lindblom, "The

- Science of "Muddling Through," *Public Administration Review*, 19:2, 1959, pp. 79-88.; and see: Charles E. Lindblom, "Still Muddling, Not Yet Through" *Public Administration Review*, 39:6, 1979, pp. 517-526.
- ⁸James March and Johan Olsen, *Ambiguity and Choice*, Bergen: Universitetsforlaget, 1987 [1976].
- ⁹John Kingdon, "Agendas, Alternatives, and Public Policies, 2nd ed.," New York: Longman, 2003.
- ¹⁰Jonathan Bendor, Terry M. Moe, and Kenneth W. Shotts, "Recycling the Garbage Can: An Assessment of the Research Program," *American Political Science Review*, 95, p 171.
- ¹¹Daniel Kahneman, "Maps of Bounded Rationality: A Perspective on Intuitive Judgment and Choice," Nobel Prize Lecture, 8, 2002.
- ¹²*ibid.*
- ¹³Dan Lovallo and Daniel Kahneman, "Delusions of Success: How Optimism Undermines Executives' Decisions," *Harvard Business Review*, 81(3), 2003. Pp. 57-63.
- ¹⁴George Akerlof and W. Dickens, "The Economic Consequences of Cognitive Dissonance," *American Economic Review*, 72, 1982, pp. 307-319.
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IMPLEMENTATION – AN INCREASINGLY RELEVANT ASPECT OF POLICY ANALYSIS

ALICIA MILLER

Abstract: Much of the historical literature on policy implementation has centered on debates regarding the appropriate focus of analysis, but the emergence of new governance reforms has contributed to our understanding of the importance of this stage of the policy cycle. This has led to an increased analysis of the role of actor discretion to influence implementation, using principal-agent and network theories. The tools of public action have also been identified as important to influence policy outcomes. These tools need to be analyzed in the context of game theory to understand the factors contributing to policy success or failure.

Keywords: implementation, new governance, discretion, tools

INTRODUCTION

The success or failure of a policy can be attributed to the implementation stage of the policy process, so it is interesting that the literature has largely focused on other aspects of policy development. Implementation has become increasingly salient, however, with the new reforms to governance that have emphasized third party service delivery, heightened competition, and focus on performance efficiency; new forms of

implementation are now being utilized to meet these goals. This process of reform has emphasized aspects of implementation that contribute to our understanding of this stage of the policy cycle; there is an increasing need for research involving the tools of government action together with the influence of collaborative networks to understand requirements for successful and effective policy implementation.

A KEY ASPECT OF THE PUBLIC POLICY PROCESS

Implementation is the stage of the policy process that describes the translation of the policy decision into action, including the effort, knowledge, and resources that are expended by policy actors to do so (Howlett, Ramesh and Perl, 2009, 160). This stage is underrepresented in the literature, yet is a central part of the process; any legislation passed will not be of use unless it can be successfully implemented. Implementation should be thought of as more than simply a technical matter of enacting a government decision; it is a process that often can carry on for years and can potentially create significant opportunities for other actors, including administrators, members of the private and non-profit sectors and target groups, to influence policy outcomes.

Implementation is also critical due to its tendency to be influenced by external factors. There are four general factors identified from evaluation

studies that can be considered to contribute to implementation failure: an unclear policy objective following from the decision making stage can distort the policy outcome; a high density of actors involved in the process can lead to communication and coordination problems; different values and interests among actors can cause problems with motivation and interpretation of policy objectives at the bottom end of implementation; and finally, policy implementation by relatively autonomous agencies can lead to a limited ability of government to control outcomes (Barnett, 2004).

Due to the malleable characteristic of the implementation process, the new forms of public management that have recently gained popularity highlight a critical need for more implementation analyses. Governments have recently undergone new public management and new governance reforms following themes such as a higher instance of privatization, contracting out, delegation, competition and an increasing focus on service quality (Salamon, 2002). To achieve these objectives, new methods of policy implementation are being used; there is more third party involvement in service delivery and increased collaboration between government and other actors.

CRITICAL ASSESSMENT

In the past, it was taken for granted that a government decision would be put into action without question. The

study of implementation emerged in the 1970s when policy evaluation made it apparent that performance did not always match up with policy expectations. Pressman and Wildavsky undertook an empirical analysis of unemployment policy in California and discovered that the job creation programs were not being carried out in the prescribed manner. This led to the first generation of implementation research, which tended to focus almost exclusively on senior politicians and officials. These actors are now known to be less involved in the day to day implementation of policy compared to lower level officials (Howlett, Ramesh and Perl, 2009).

The second generation of implementation research centered on a debate regarding the appropriate focus of implementation analysis: the notorious top-down versus bottom-up debate (ibid). The top-down approach reflects traditional government hierarchy structure, starting with a decision and then examining the extent to which the objectives were achieved over time and why (Sabatier, 1986). This theory correctly takes into account the importance of structure for implementation success, but policy objectives are often vague and it ignores the multitude of actors involved in implementation (Salamon, 2002). The bottom-up approach begins analysis at the operational level with a particular problem and all actors involved, and can account for their strategic interaction,

but may not completely account for the external factors that can influence behavior (Sabatier, 1986).

Contemporary approaches regard features of both top-down and bottom-up approaches as relevant, a view that sparked the third generation of policy implementation literature (Howlett, Ramesh and Perl, 2009). These approaches go beyond to address the role of discretion in policy implementation, which is at the heart of game theory. Game theory analyzes the interaction of actors and can be applied to understand how discretion can influence policy implementation (ibid). An example that demonstrates the ability for discretion to change the outcome of a policy without changing the policy itself is observing the ability of Conservative governments to tighten eligibility requirements for social programs that have previously been established by Socialist governments (ibid).

This highlights the discretion that is possible for administrators in affecting the outcome of a policy, in that they can determine towards whom and how the policy is applied. Administrators also have an advantage in that they are typically more experienced in a policy area than political staff. This leads to a principal-agent relationship, where an implementation official (the agent) may influence the implementation of a policy toward an outcome that was not

intended by the elected official who created it (the principal), depending on his or her own interests. This can be a problem when the values or interests of the agent are different than of the principal, as often occurs in the cross organizational situations created in new governance arrangements (Salamon, 2002).

Network theory goes beyond the principal agent theory and posits that the principal may have difficulty controlling a policy outcome even when principals and agents agree on values and goals (ibid). This is applicable to collaborative relationships because no one actor has control over the other and each actor possesses different operating styles and worldviews, resulting in difficulty coordinating behavior to reach the desired policy outcome (ibid).

Barrett (2004) emphasizes the fact that administrative discretion cannot be controlled too tightly as too much administrative control can hamper performance. Barnett submits that new methods of governance have caused regression toward a controlling and normative top down model of implementation that overemphasizes performance standards. He argues that implementation should instead be seen as a continuous process of negotiation and bargaining between decision makers and implementing officials. This view embraces some discretion to allow for a possibility of increasing performance outcomes.

Howlett, Ramesh and Perl emphasize a need to view implementation as including policy design as a main determinant of policy outcomes – policy design continues into the implementation phase. Salamon (2002) is a proponent of this approach, arguing that the tools used to enact policy together with the external environment will be ultimately responsible for effecting the policy outcome. He argues for a shift in the focus of implementation from a specific policy to the tools of action used to implement a policy, because this will determine which actors and what type of management is involved. For example, will the tool use direct or indirect provision, which organizations will it involve, and which rules will restrict it? As was previously discussed, relevant actors can have a role in influencing implementation and therefore will have their perspectives and incentives reflected in the final outcome.

STRATEGIC IMPLICATIONS

New methods of governance are no doubt having an effect on the manner in which policy implementation is being undertaken. The central question is to what extent are these new methods effectively producing the desired policy outcomes?

Third generation implementation research highlights two central areas that require further analysis. The first is regarding the choice of tools involved in service provision, as discussed by Salamon (2002). Policy implementa-

tion needs to be taken into consideration in the formulation phase of the policy cycle, and vice versa, to understand why some programs fail during implementation and others do not.

The second area requiring further analysis is network analysis and other forms of game theory and political science concepts, as suggested by O'Toole (2000). Further understanding of interactions between actors and organizations involved in policy implementation should work to enhance knowledge of why certain tools fail in some policy situations. This is especially pertinent to new forms of governance, where indirect forms of policy delivery and collaborative methods are increasingly being used. It would be useful to tie the concepts of game theory and tool choice together using empirical studies applying principle-agent and network theory to implementation in particular to gain an understanding of how new forms of governance are affecting implementation.

CONCLUSION

The implementation stage of the policy cycle has the potential to reduce the capacity for successful policy outcomes. This stage is increasingly important with the indirect service provision and collaborative networks that accompany new forms of governance. Barnett (2004) noted the possible negative effects of increasing control to deal with these new issues, but conversely Salamon points out that if there

is insufficient demand for accountability it can result in a disregard for the public interest (2002). These contrasting problems that can potentially arise during implementation demonstrate why network analysis and game theory must be studied in addition to tool choice for a complete understanding of policy implementation, including its successes and failures.

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EVALUATION – RECIPROCITY BETWEEN EVALUATION AND GOAL SETTING

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Abstract: Evaluation is the fifth step in the public policy process, but it does not usually function independently as the final item in a long and complex progression. The interaction of evaluation with the public policy process, and especially with goal setting enhances the value of the assessment work. The evaluation framework is designed in response to policy goals, stated and subtle. In a reciprocal way, policy goals and the public policy may be reconfigured in response to evaluation findings.

Keywords: evaluation, public policy, goal setting

INTRODUCTION

Public policy creation engages a host of professionals in the complex process of designing a program or policy that will significantly impact many people. The policy is usually developed in response to a distressful situation that calls for correction. The final step in the process is to examine the outcome to verify that the distress has been alleviated, or that the policy goals have been successfully achieved.

A closer examination reveals the evaluation of public policy programs is much more complex than simply asking, “Is the problem fixed?” A sound evaluation considers the great variety of actors and stakeholders, types of policy programs, evaluation methods, and whether the program was fully implemented. Most importantly, the evaluation relates to the goals or problems in a reciprocal association.

EVALUATION IS KEY

Evaluation is the rewarding part of the public policy process. After the struggle to define, create, and implement a policy, the evaluation reveals the level of success. Evaluation, if implemented well, will also influence the outcome of the program as adjustments are made in response to the outcome reports. The fascinating aspect of evaluation is the relationship, direct or indirect, of evaluation to goal setting, or problem definition. Goal setting is complex, and goals often have many subtle layers. For an appraisal to be optimal, it must respond to these layers with the right approach.

Problem definition may be created in response to evaluation outcomes. This may happen either in response to evaluations of previous policy programs, or in anticipation of a desired, or needed evaluation. This paper will discuss evaluation and examine the reciprocal relationship of evaluation to problem definition.

BACKGROUND

Definition

Evaluation examines the process (Is implementation working?) and the outcomes (Have the programs made a difference?) of public policy (Howlett, Ramesh, & Perl, 2009). Evaluation is scientifically based social research and can bring rationality to the policy-making process by using relatively neutral, scientific research techniques (Rossi & Wright, 1977). Summation and data submission doesn't generally include advocacy or recommendations (Geva-May & Pal, 1999).

Description of Evaluation

The public policy process consists of five distinct, but interrelated, stages: agenda setting, policy formation, decision-making, policy implementation, and policy evaluation. Awareness of upcoming policy evaluations, and results of previous and ongoing evaluations should be embedded in problem definition. In a Treasury Board Report, Aucoin recommended a whole-of-government requirement that evaluations be conducted, and that their results be used in decision-making (Aucoin, 2005).

In choosing the best social research method, evaluators look for one that will assess the outcomes that are “net” of other possible causes, and methods that are suitable for work in settings with political and moral considerations. For evaluating public policy, the randomly controlled experiment is

considered the most effective. Other methods include cross-sectional studies, multivariate statistical models, non-randomly selected control groups, before-and-after studies and case studies. More tools include cost benefit analysis, which is difficult with public policy programs, and field experiments, which encounter ethical and political problems. Evaluators search for a method that will produce internal validity, which is the neutral assessment of the treatment group, and external validity, which means that the internal data would also apply to people outside the test group (Rossi & Wright, 1977). Qualitative methods produce better external validity than internal validity (Mohr, 1999).

Evaluation of public programs is not restricted to the professional evaluators, but includes the media, general public, and politicians. Judicial evaluation conducted by the judiciary looks at proposed policies in relation to the constitution and legal standards. Administrative evaluation looks at the delivery of government services with an eye on efficiency.

Since the 1970s, Canada and other world governments, as part of the New Public Management wave, have recognized the importance of evaluating their public policy programs. The performance scrutiny of the implementation process is relevant to outcome evaluation, but perfor-

mance evaluation can overshadow program effectiveness evaluation (Aucoin, 2005).

Successful evaluation is created with careful attention to its design and implementation and this begins with considering the policy problem statement and the entire policy. The policy-makers, not the evaluation researcher, must supply the program goals and criteria for success, which are clearly and elaborately enunciated (Rossi & Wright, 1977).

Evaluation and Goal Setting – Interaction and Learning

Evaluation usefulness is optimal when it is ongoing and interactive with goal setting and the policy process. This learning informs the fluid policy process. As assessment data is collected and conveyed back to the policy-makers, implementation adjustments can be made, and policy reconceptualization can occur with minor changes, fundamental shifts, choices of status quo or abandonment of the policy (Howlett, Ramesh, & Perl, 2009).

Learning in the interactive process is cumulative and depends on the capacity and good prior related knowledge in the organization, and willingness by the policy actors and organization to absorb and implement new information. A feedback loop integrated in policy planning facilitates learning, and it is easier when there is an open, communica-

tive relationship between departments (Howlett, 2002). Lessons learned can be practical or can be broader.

Non-learning can occur when there is no evaluation, or when only limited lessons are drawn from the evaluation data. Reluctance of decision-makers to act is common when evaluation outcomes point to termination of the policy which may be due to the difficulty of arriving at a definition of failure, difficulty of overcoming path dependencies, the big political costs, and the established beneficiaries who define the continuation (Howlett, Ramesh, & Perl, 2009).

Learning, and interaction between evaluation and agenda setting are enhanced when unintended consequences are identified. This can result in adjustments to the current policy program and, in endogenous learning, the creation of policy based on learning from previous evaluations. A broader assessment framework raises the possibility for learning from unintended consequences, such as capacity building (Leviten-Reid, 2010).

CRITICAL ASSESSMENT AND STRATEGIC IMPLICATIONS

Social scientific research evaluation works best when goals are clear and precise, but public policy is very complex and the definition of success can be relative and difficult to isolate, so a subjective analysis may follow more easily (Rochefort & Cobb, 1993).

The clients' (government) goals may be vague, or the formal stated goals may gloss over 'latent objectives' (Howlett, 2002). Goals may be deliberately obscure to achieve the widest acceptance, or to achieve balance for competing claims on communal resources. Offering a big promise or the process of 'being seen to be doing something' may be more important than the outcome of a policy program. Clarity of a goal may enable good data gathering, but it may not serve the client, so the evaluator needs to be conscious of this dynamic.

The complexity of program goals goes beyond the absence of fixed criteria for success and failure evaluation which apply across time and space, to include the diverse number of actors who may not share the same goals, the idiosyncrasies of the system and the possibility of a policy breakdown at any part of the system. There may be several goals that are inter-related across a variety of social and economic factors, and coloured by politics and values. Policy restructuring based on the feedback loop further complicates evaluation.

Politics can factor significantly in evaluators' interpretation of stated goals, as political goals include not only outcome, but process and perception, too. Sometimes the evaluation process is expected to provide just enough material to defend a program, not to provide an absolute description of the level of failure or success. Evaluation is

expected to detect even small increments of change, which are significant over a large population (Howlett, Ramesh, & Perl, 2009). From inside government, Aucoin (2005) partners program effectiveness with political responsiveness and fiscal discipline as the three main demands of government, and suggests that the weight given to assessment outcomes depends on changing times and changing regimes. Depth of knowledge in the organization is significant for learning from evaluations, but politicians may lack knowledge in their ministry. Politicians may create the problem definition and evaluation to conceal or reveal specific items so they are seen in a better light. Evaluations of public policy require a rational and subjective approach due to the complex influence of politics.

CONCLUSION

Evaluation of public policy is necessary, but evaluation is more than raw data. It is also the choice of data and collection methods and these choices relate back to the stated and unstated goals of the client and the policy-makers. Evaluation in itself doesn't eliminate inefficient or fraudulent policies because of the strong interplay between the evaluation and all aspects of the policy, especially the goals. The public policy process will be most effective when the goals are clear and credible, and when evaluation is embedded in the process, informing the continuous improvement of the policy.

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TERMINATION/ RENEWAL – FROM THE ASHES: POLICY TERMINATION IS NOT THE END

MICHAL JANUS

Abstract: Many analysts agree that policy termination is an important part of the policy process, but it is an area that has received little attention from researchers. This article explores why this lack of interest exists and examines the theories available. Particular focus is made on the distinction between policy termination and organizational termination, and why this distinction is important. General strategies for implementing policy and organizational termination are suggested, with emphasis on the positive aspect of termination – that it should be seen as an opportunity for administrative reform and a new beginning rather than an end.

Keywords: termination, policy termination, organizational termination, administrative reform

INTRODUCTION

Policy termination has been said to have a major innate place in the policy cycle of accountable and transparent systems, because it leads to new agendas and new beginnings.¹ However, despite its importance, it is widely acknowledged that policy termination has been neglected by policy

analysts. Policy termination was called an “underattended issue”² more than three decades ago. Unfortunately, this still seems to be true, possibly because it is the most problematic part of the public policy process.

This paper looks at why policy termination has been ignored by analysts for such a long-time, and whether it has likewise been overlooked by decision-makers. It assesses the theories concerning policy termination, and whether this theory can be further developed. Finally, suggestions are made for some strategies that can be used to encourage policy-analysts and decision-makers to consider termination as a viable option in the policy evaluation process.

POLICY TERMINATION IN THE POLICY PROCESS

Termination is an integral and beneficial part of the policy process.³ Although it seems to be the final step in the policy process⁴, it is not necessarily the end and may lead back to the first stage of agenda-setting for the cycle to continue once more. Explanations for the lack of literature on policy termination include: the negative connotations associated with any kind of termination (policy related or otherwise), the lack of empirical evidence available and the difficulties in distinguishing between policy modification and ‘partial termination.’⁵ In addition, researchers often prefer to concentrate on the

more positive acts of formulating, implementing and evaluating new innovative policies than dealing with the obstacles to ending outdated and ineffective ones.⁶

Not only are analysts unwilling to look too deeply into this field, but there are many obstacles to policy termination (e.g. intellectual reluctance, institutional permanence, dynamic conservatism, anti-termination coalitions, legal obstacles and high start-up costs⁷) which are said to deter policy-makers from using this.

CRITICAL ASSESSMENT

Policy termination has been defined by deLeon as the “deliberate conclusion or cessation of specific government functions, programs, policies or organizations.”⁸ However, although deLeon makes the distinction between the termination of policies and the termination of government functions, programs and organizations, many researchers tend to join these separate elements under the same umbrella term of ‘policy’ termination. This can lead to inaccurate and misleading information, because although there is inevitable overlap between these elements, they are different and some of them (for example government functions) are more likely to survive termination attempts than others (for example programs). Because of these differences, clarity of what is being terminated -- a government function, policy, program or organization -- is essential.⁹

Although there has been some progress in the area of organizational termination, it remains a small subfield within the policy termination literature¹⁰, which, as discussed above, is not sizeable itself anyway. In 1976, Kaufman¹¹ made the distinction between organizational and policy termination, finding in his research that only 15% of all US agencies in existence between 1923 to 1973 were terminated, leading him to conclude that public agencies seemed immortal. This research has since been criticized for having flawed methodology, in that it failed to include organizations established after 1923 and terminated before 1973 (which was the case for many ‘New Deal’ agencies) and only included federal departments and departments within the ‘Executive Office of the President’ (which are arguably more durable than most other agencies).¹²

In addition, Kaufman’s findings are also undermined by Lewis’ research, which found that 62% of agencies formed since 1946 were terminated, which brings him to the conclusion that agency immortality is just a ‘myth.’¹³ Lewis also makes the important point that organizational termination does not necessarily lead to policy termination, as often the agencies’ functions are transferred to another agency. However, organizational termination is still important because the structure of the organization and public policy outputs

are linked.¹⁴ This strengthens the argument for the need for a firm distinction between the two types of termination, or else accurate policy evaluation cannot take place.

This is also supported by what deLeon calls ‘partial termination.’¹⁵ Termination is rarely complete and is not the end of a policy or an organization. It can actually signal the beginning of a new policy – when one policy is terminated, a new one is created to replace it.¹⁶ Termination, therefore, should not be treated just as an end, but also as a beginning.

Another important finding made by Lewis is that political turnover is a major cause of termination.¹⁷ He discovered that when an agency’s opponents gain power, they are 67% more likely to be terminated. The importance of political ideology in termination has been recognized by commentators for a long time, but Lewis’ study gives further weight to assertions that political considerations are more important than financial/economic ones or arguments of inefficiency.¹⁸

STRATEGIC IMPLICATIONS

To avoid the confusion associated with the possibly misleading term ‘policy termination’, perhaps another umbrella term should be used, so that there is no confusion with organizational termination. This separation is necessary, as Lewis’ findings suggest that organizational termination is often in use,

particularly when an opposition party assumes power. As the knowledge on what contributes to successful or failed termination attempts is as incomplete as it was thirty years ago when this research gap was identified, it is clear more research is needed. This research should focus particularly on termination as a political phenomenon, which it clearly is. This recognition of political ideology is important for the field of termination to be more forward-looking.¹⁹ Currently, the area has been criticised for being retrospective and for not developing a framework for predicting termination.²⁰ As there is so little information on the subject of policy termination, it has been suggested that the creation of case studies may help to shed more light, as well as more comparative research with other countries.²¹

Finally, the negativity surrounding termination needs to be reduced. Termination can be positive, especially where it is the result of a policy so successfully dealing with a social problem that it is no longer needed.²² In addition, perhaps if greater emphasis was made on the opportunities that termination offers in terms of re-thinking a problem and applying fresh ideas, then it is possible that analysts would feel more comfortable in using this as an option. Termination considerations should form part of the policy planning process and researchers should be gathering more information on this subject.²³

CONCLUSION

The need for further analysis of policy and organizational termination is perhaps even more urgent now than ever because of the long neglect of this topic. As discussed, policy termination and organizational termination are two distinct things and the terms should not be used interchangeably. Where this does happen, policy evaluation can be affected negatively.

One of the most important considerations, however, is that termination should not be seen as the end. It is a chance for rebirth, to enact administrative reform, to update, to modernize and to show flexibility in adapting to social problems, which rarely remain static. Policy analysts need to acknowledge that policy and organizational termination is a political reality, and if they want to have credibility, they must plunge into these mostly uncharted waters.

Endnotes

¹For example, see: Michael Watkins and Max H. Bazerman, "Predictable Surprises: The Disasters You Should Have Seen Coming," *Harvard Business Review*, July, 2003, pp. 57-63.

²Eugene Bardach. "Policy Termination as a Political Process." *Political Science*, 7 (1976): 123-131 cited by Mark R. Daniels, "Policy and Organizational Termination," *International Journal of Public Administration* 24, no. 3 (2001): 259.

³Peter deLeon, "A Theory of Policy Termination," in *The Policy Cycle*, ed. Judith V. May and Aaron B. Wildavsky (Beverly Hills: Sage Publications, 1978), 294.

⁴Garry D. Brewer (1974) came up with six stages of the policy process: (1) invention/initiation, (2) estimation, (3) selection, (4) implementation, (5) evaluation and (6) termination, as cited by Michael Howlett and M. Ramesh in *Studying Public Policy: Policy Cycles and Policy Subsystems*. (Ontario: Oxford University Press, 2003), 12.

⁵deLeon, "Theory," 282.

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Suited for individuals looking to begin their careers or advance their professional study, the school offers five programs - Master of International Trade (MIT), Master of Public Administration (MPA), Master of Public Policy (MPP), Doctor of Philosophy in Public Policy (PhD), and various Master's Certificates. The school is currently in expansion mode as it strives to enhance its programming, research activity, student experiences, and engagement with external communities.

The school provides students with a full spectrum of public policy and administration education - from policy concepts and theory to hands-on practical application. The challenging curriculum provides opportunities for students to become critical thinkers and problem solvers, and to address policy issues that have a regional, national, and international focus.

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