Chapter 2
POLICY ANALYSIS IN
THE POLICY-MAKING PROCESS

LEARNING OBJECTIVES

After reading Chapter 2 of the textbook, students should be able to:

- Understand policy analysis as an intellectual activity embedded in a political process

- Explain the historical development of policy analysis as a response to practical problems and crises

- Describe policy making as a complex, nonlinear process composed of multiple phases ordered in time

- Compare, contrast, and assess competing explanations of policy change

- Contrast potential and actual uses of policy analysis

- Distinguish the composition, scope, and expected effects of information use

KEY TERMS AND CONCEPTS

Analycentric perspective

Arrow's Impossibility Theorem

Bounded rationality

Comprehensive rationality

Critical convergence

Disjointed incrementalism

Erotetic rationality

Evidence-based policy making

Mixed scanning

Policy-making process

Postindustrial society

Punctuated equilibrium

Regulatory impact assessment (RIA)

Second-best rationality

Technocratic counsel

Technocratic guidance

Voter's Paradox

CHAPTER SUMMARY

This chapter presents an overview of the functions of policy analysis in policy making. Historically, the aim of policy analysis has been to provide policy makers with information that can be used to solve practical problems. Policy analysis is an intellectual activity embedded in a social process known as policy making, or the policy-making process. Although policy making can be seen as a set of phases ordered in time, the organization of these phases often resembles a garbage can or organized anarchy. Numerous models are available to describe how and why policy change occurs. All of them capture an important feature of the complex process of policy making. The role of policy analysis in policy making has two aspects. On one hand, methods of analysis are designed to produce policy-relevant information that is potentially useful in all phases of policy making. On the other, the uses of policy analysis in practice are indirect, delayed, general, and ethically controversial. This is to be expected, considering that there are many patterns of information use based on the intersection of its composition, scope, and expected effects.

CHAPTER OUTLINE

I.   The historical context of policy analysis can be traced as far back as the first known human settlements, with the earliest examples being based on religion and tradition

a.   The nineteenth century witnessed a more systematic, empirical and scientific approach to policy analysis.

b.   The policy sciences became a recognized field of study in the wake of the First and Second World Wars. The goal was to provide better information for use by policy professionals.

II.   The policy-making process was a direct offshoot of the creation of the "policy sciences." The policy cycle consists of the following eight activities:

a.   Agenda setting, policy formulation, policy adoption, policy implementation, policy assessment, policy adaptation, policy succession, and – less frequently – policy termination.

III.   Models of policy change are helpful for understanding the policy process through metaphor.

a.   *Comprehensive rationality* assumes that a rational actor will choose policy alternatives based on a weighing of the relative costs and benefits of all possible policy options.

b.   *Second-best rationality* modifies comprehensive rationality with the caveat that actors in a collective decision-making process choose between a narrower set of alternatives, as dictated by their

preferences and the possibility of coming to an agreement.

c.   *Disjointed incrementalism* is a further modification of rational choice that stipulates that decisions are made on the margin of the status quo, meaning that new alternatives are based on prior policies.

d.   *Bounded rationality* introduces further constraints on a decision maker's alternatives in the form of "satisficing." Only alternatives that are sufficient and satisfactory are considered under this model.

e.   *Erote Chapter Outline*

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o.   *Bounded rationality introduces further constraints on a decision maker's alternatives in the form of "satisficing." Only alternatives that are sufficient and satisfactory are considered under this model.*

p.   *Erotetic rationality does not presuppose prior knowledge of alternatives and instead focuses on the process of questioning and answering to probe the boundaries around a complex problem.*

q. *Critical convergence uses the metaphor of multiple streams to describe how politics, solutions, and problems sometimes "converge" to create a "policy window" that will allow for the creation of new policies.*

r. *Like the critical convergence model, punctuated equilibrium allows for major departures from prior policies. Though it most closely resembles the disjointed equilibrium model, in that alternatives are selected on the status quo, punctuations in the form of major changes in the policy environment will often inspire major policy changes in response.*

s. *Policy analysis in the policy process should provide a means to improve policy making.*

t. *The major policy analytic activities include:*

u. *Problem structuring – helping to set the agenda by diagnosing the causes and the environment around a problem situation.*

v. *Forecasting – providing alternatives for adoption by estimating outcomes associated with each.*

w. *Prescription – assisting with policy adoption by choosing among two or more alternative solutions.*

x. *Monitoring – assisting with policy implementation by assessing how well given policies are providing desired outputs.*

y. *Evaluation – aiding in policy assessment and adaptation by gauging how well given policies are achieving their desired outcomes (i.e., solving the problem).*

z. *Because there are many decision and action points in the policymaking process, the role of the policy analyst is by no means direct.*

aa. *Erotetic rationality* does not presuppose prior knowledge of alternatives and instead focuses on the process of questioning and answering to probe the boundaries around a complex problem.

bb. *Critical convergence* uses the metaphor of multiple streams to describe how politics, solutions, and problems sometimes "converge" to create a "policy window" that will allow for the creation of new policies.

cc. Like the critical convergence model, *punctuated equilibrium* allows for major departures from prior policies. In contrast to the disjointed incrementalism model, where alternatives are selected on the margin of the status quo, punctuations are radical changes in a policy inspired very often by major changes in the external environment.

14

IV.   The use of policy analysis in the policy process is intended to improve policy making.

  a.   The major policy analytic methods include:

i. Problem structuring – helping to *set the agenda* by diagnosing the causes and the environment of a problem situation.

ii. Forecasting – providing *alternatives for adoption* by estimating outcomes associated with each.

iii. Monitoring – assisting with policy *implementation* by assessing how well given policies are producing desired outcomes.

iv. Evaluation – aiding in *policy assessment* and a*daptation* by gauging how well given the achievement of desired outcomes contribute to a solution to the problem).

  b.   The role of the policy analyst is by no means direct, largely due to the complexities of the policy making process.

REVIEW QUESTIONS

Any of the following may be used as lecture prompts:

1.   What does it mean to say that policy analysis is a process of producing knowledge *of* and *in* the policy-making process?

2.   What is the relation between the problems faced by societies and the growth of what has been called an "analycentric" perspective?

3.   Compare and contrast intellectual and social aspects of policy making. Give examples.

4.   What is an "organized anarchy"? How is it related to the "garbage can" model of policy making? In your experience, which model(s) of policy change are most useful? Why?

5.   Considering the three dimensions of information use, how would you know when policy makers have used policy analysis? What would you do about it?

6.   What are the pros and cons of evidence-based policy making? Consider concepts of "technocratic guidance" and "technocratic counsel" presented in the case study for this chapter.

DEMONSTRATION EXERCISES

1.   After reading Case 2 (Are Policy Analysts Technocrats?), evaluate the following statements about "technocratic counsel" and "technocratic guidance" in policy making:

- The technocratic guidance perspective presents an exaggerated assessment of the power and influence of professional policy analysts.

- The technocratic counsel perspective overestimates the symbolic importance of policy analysts in legitimizing policies made on political grounds.

- The remedy for "technocratic policy analysis" is not to abandon policy analysis, but to create a new approach called "democratic expertise." By employing this approach analysts might counteract technocratic biases "by moving from phony neutrality to thoughtful partisanship, working disproportionately to assist have-nots in understanding and making their case…assisting all partisans in coping with uncertainties."[1]

2.   Obtain an analysis of a contemporary policy issue. The analysis could be unpublished, posted on a Web site, or published in a professional journal, newsletter, magazine, or newspaper. Use the Profile of Research Use (Case 2.2) to write a short report that answers the following questions:

- To what extent is the analysis of high *technical   quality?*

- To what extent does the analysis *conform to what you expected?*

- To what extent is the analysis *actionable,* that is, has an action orientation?

- To what extent is the analysis a *challenge to the status quo?*

- What does your report suggest about the reasons why policy analysis is perceived as *useful?*

- What does your report suggest about the reasons   why research is actually *used*?

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[1] Edward J. Woodhouse and Dean A. Nieusma, "Democratic Expertise: Integrating Knowledge, Power, and Participation," in *Knowledge, Power, and Participation in Environmental Policy Analysis,* vol. 12, *Policy Studies Review Annual,* ed. Matthijs Hisschemoller, Rob Hoppe, William N. Dunn, and Jerry R. Ravetz (New Brunswick, NJ: Transaction Books, 2001), p. 91.