

Public Policy Analysis

A policy, according to the Oxford English Dictionary, is 'a course or principle of action adopted or proposed by a government, party, business, or individual'. Like strategies, programmes, plans and similar concepts, policies provide general directives rather than detailed instructions for action. The specific function of policies is to provide normative orientation – guiding values and ends – for the elaboration of strategies, programmes and plans, which are more concerned with the selection of appropriate means for achieving those ends.

Policy analysis is a field of professional practice that is concerned with the scientific analysis of the contents and consequences of policies, particularly in public sector management and planning. The field emerged after World War II from the confluence of four parent disciplines: (1) management science and systems engineering; (2) welfare economics; (3) the political and administrative sciences; and (4) the empirical social sciences. Lerner and Lasswell (1951) are generally considered the fathers of the field, although its major concepts and tools were actually developed in the subsequent decades. Major early representatives were Quade and Boucher (1968), Dror (1968, 1971), and Lasswell (1971); two current representatives are Dunn (1994) and Bardach (2000). Friedman (1987) provides a well-informed, critical overview of the intellectual history of policy analysis as a tool for 'planning in the public domain'.

The label 'public policy analysis' is not sharply distinguished from a number of related fields such as 'policy science', 'policy evaluation', 'scientific advice of politics', and others. It is a general term for the use of research and expertise in the process of public policy-making, whereby practical concerns of policy advising prevail over theoretical concerns of explaining the policy process (the subject of the political and administrative sciences). The term 'policy sciences' offers itself as a concept that includes both concerns.

The object-domain of public policy analysis comprehends all stages of public policy-making, from policy formulation to policy implementation and to policy review (Table 1). It is obvious that this broad scope requires an equally broad theoretical and methodological basis. Policy analysis clearly needs to be an interdisciplinary field. Drawing on its four mentioned parent disciplines, some of its major tools are (1) *decision analysis*, *sensitivity analysis* and *systems analysis*; (2) *cost-benefit analysis*; (3) *implementation* research, financial auditing and reporting tools; and (4) *evaluation* research, environmental and social impact assessment. Additional tools include project management; social indicators; management information and reporting systems; total quality management; technology assessment; forecasting; scenario writing; creativity techniques; idealised design; and many others.

Table 1: The object-domain of public policy analysis

I – POLICY FORMULATION
1 – Policy problems
2 – Policy objectives
3 – Policy contents (action plans and resources)
II – POLICY IMPLEMENTATION
4 – Policy decisions and legislation
5 – Policy implementation
6 – Policy outcomes and impacts
III – POLICY REVIEW
7 – Policy monitoring
8 – Policy evaluation
9 – Policy reporting

A major methodological development in the 1960 was the planning-programming-budgeting system (PPBS). PPBS aimed to integrate the formulation of policy objectives with the processes of budgeting, in an effort to ensure a systematic allocation of financial resources to political priorities. The approach was hailed as a breakthrough in rational policy-making; policy analysis for a while became almost synonymous with PPBS. In the US, PPBS was declared mandatory for all federal agencies under the Johnson Administration in 1965; but it never fulfilled its promises. Its conceptual framework relied all too one-sidedly on a utilitarian economic concept of rationality, and consequently could not deal satisfactorily with the core problem of public policy-making, of how to integrate differing views and conflicting interests into a meaningful concept of 'rational' action.

Subsequent major developments were, in the 1970s, the rise of policy and program evaluation to a major field of policy analysis, and more recently, in the 1990s, the development of the so-called 'new public management', which once again tries to achieve an integrated approach to policy planning, programming, and budgeting.

The current state of public policy analysis is characterized by an increasing variety of tools. These range from financial controlling approaches such as benchmarking (performance comparison with best practices) and output-oriented performance indicator systems for public services (e.g. for hospitals) to new forms of participatory inquiry and design such as citizen surveys, citizen reports, search conferences and others.

Despite its impressive development, the field's methodological foundations still appear deficient regarding the role of conflicting views and value judgments, power, civil society and democracy in 'rational' policy-making. More than other applied disciplines such as action research, *community OR* or management consulting, policy analysis has remained tied to its origin in 'hard' conceptions of systems analysis. It has hardly begun to incorporate the principles of soft and critical systems methodologies, yet their concern for interpretive, critical and emancipatory issues, for *dialogue*, discursive rationality and *boundary critique*, appears relevant indeed. It would seem that public policy analysis has much to gain from a systematic revision of its conceptual foundations along these lines (see *critical systems thinking; critical systems heuristics*). **WU**

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