

Public Policy: An Introduction

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Why do we need public policy

- There is market failure – markets, left to themselves, sometimes deliver unwanted or sub-optimal outcomes such as:
- Monopoly or oligopoly – high prices and limited innovation
- Negative externalities – like pollution, congestion, noise
- Too little desirable goods with positive externalities – parks, education, public health
- Income inequality that is extreme
- Inadequate safety of food, drugs, work places, etc.

BUT, there is also government failure!

- Government fails when it produces:
- Corruption and self-dealing by officials or legislators or judges
- Inefficiency in providing services
- Lack of responsiveness – may ignore major problems
- Capture by special interests
- Failures of transparency
- May not follow or enforce the law

So Public Policy studies the full range of how these problems are addressed (or not!)

- How does something get identified as a public policy problem?
- How does something get important enough to matter?
- How do alternative solutions to the problem get defined?
- How does the system choose one alternative solution?
- How does the preferred solution get reflected in new legislation or regulation?
- How do the new laws or regulations actually get enforced?
- Are the solutions satisfactory? Are there side effects?

Public Policy is a Subset of Politics

- Politics refers to the way that interest groups, political parties, legislators, government and courts interact and reflect (or not) public opinion and concerns OR
- “Politics is who gets what, when and for whom” (and who pays!)
- Public policy studies how public policies are formulated and carried out in the political system
- Government action is often needed when custom and face to face interactions of small groups break down – the role of the public sphere often grows in cities and more complex societies

One way to think of public policy is “stages”

- Issue emergence
- Agenda setting (important enough to matter?)
- Alternatives defined
- Selection of alternatives
- Legal or regulatory enactment
- Implementation
- Assessment/evaluation feeds into early stages again
- => Stages may be more useful than accurate description of process

Another concept is a “Systems Approach”

- This states there are inputs, a “black box” that processes inputs and outputs – and again, evaluation that becomes an input
- Inputs include general public opinion, specific complaints, media coverage (influencing the previous two), elections, and personal experiences.
- The “black box” has analysis, lobbying, and negotiation
- Outputs include laws and regulations
- Evaluation and oversight adds to inputs and analysis

To get more detailed, consider three items

- Policy is enacted with structural factors, social and demographic factors and economic factors – both levels and trends.
- Structural factors include laws, a constitution, and basic principles such as separation of powers (or not), federalism (or centralism), degree of transparency, rule of law, etc. Technology should be added!
- Social and demographic factors include age structure, racial and ethnic shares and trends, geographic location of people, education levels, inequality, environment, etc.
- Economic factors include GDP level and growth, real wages, employment opportunities, inflation, inequality (again), etc.

Policy studies often refer to “public interest”

- The idea of this is that policy should be made with the overall welfare of the public and country in mind, not just for narrow groups
- This notion goes back to Confucius and Aristotle – the “mandate of heaven” for emperors and constitutions for city states.
- European thought after 1500 elaborated this in theory and practice – rights of all people, separation of powers, limits to arbitrary rule, etc.
- In 20th century as economies became more national and international, these ideas grew in importance
- It is hard to make good policy if criticism is not allowed – men (and women) are not always good mandarins and mistakes are noticed faster if they can be pointed out and discussed.

Policy Process Studies use social sciences

- Political science and law are obvious key disciplines for these studies since they involve politics and legal study
- Economics is also important – has well developed theories for how individuals and groups are likely to behave (if rational)
- Sociology is also useful – looks at social movements and groups
- Psychology is also important – understands that people are often not fully rational
- Policy research in specific areas often also brings in natural scientists or engineers for environment, health, energy, etc.

An Art more than a Science

- At this stage, policy studies are interdisciplinary but fall short of a science.
- Because groups can act against their own self-interest, political skill is required to get “good policy”
- Special interests often fight for special advantages
- Use of fake news or plausible stories (not typical of reality or supported by real evidence) often convinces people – “The plural of anecdote is not data.” Honest analysis can help leaders identify good policies, if they are interested
- Relevant analysis understands the interest groups involved