

**MUNI
ECON**

L5 – Policy, Politics and decision-making process

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Reminder

- **Whether you like it or not public policy is a part of your life.**
- Policy advocacy versus policy analysis ?
- What does it mean target group?
- How can we assess policy instruments?

Policy formulation – from general to details

- Mission
 - The announced intention of the Cabinet
- Vision
 - The announced intention of the Ministry
- Policy Aims
 - Strategic plan of specific Ministry
- Policy Goals
 - Detailed goals for given policy aim
- ...the same can be valid e.g. EU plan, Public transport plan of a city...

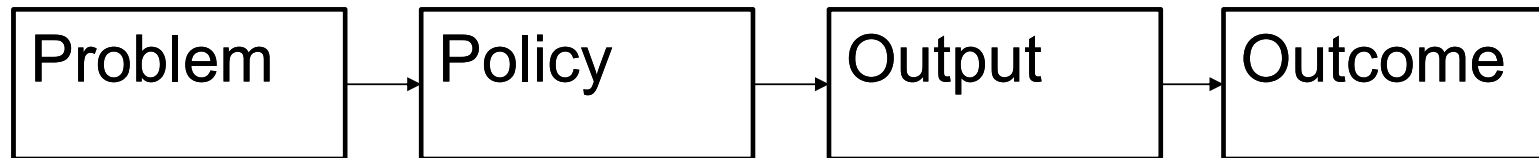
Policy aims

- The easiest approach – SMART
- SMART specific, measurable, achievable, (sometimes agreed), realistic (or relevant) and time-bound, (or timely)
- Aims can be evaluated from formal as well as normative point of view
 - Explain on example: Prohibition of smoking in restaurants
- Setting of policy aims can be done
 - By sophisticated methods of strategic management
 - By negotiation of actors
 - Mixture of various options
 - Examples?
- There is a strong analogy and transfer of method from business companies to public authorities (public sector)

Where policy aim is coming from?

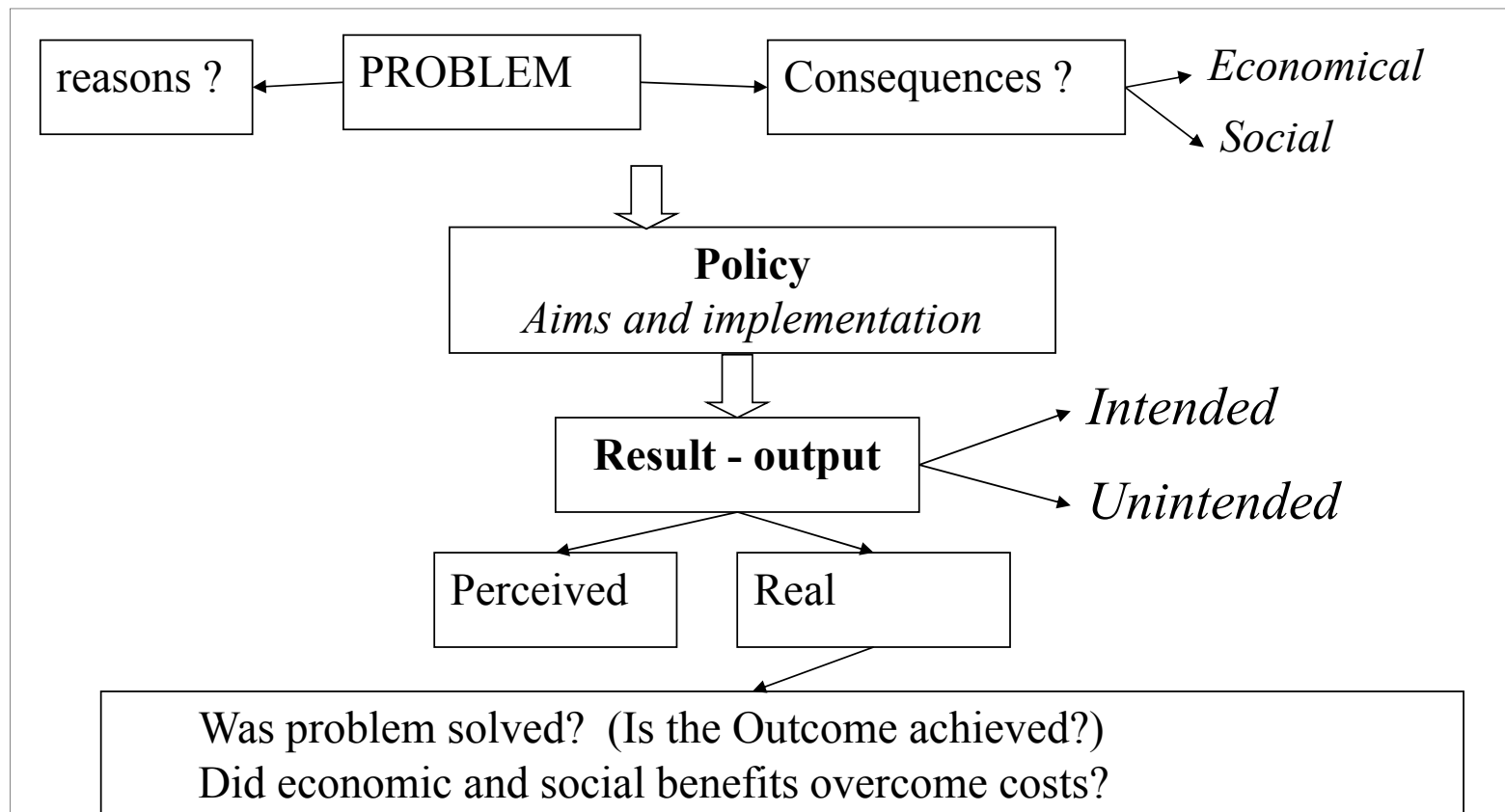
- Policy aims are negotiated and set by policy makers (those who have power to make a decision)
 - Negotiation is affected by other actors
- Policy makers (as any other actor) may follow their own preferences or voters' preferences...

Policy Outputs versus Policy Outcomes



- Did we achieved Policy Aims?
- Did we solved the problem why the Policy was formulated?
- Why is possible to achieve policy output and not achieve a policy outcome?

Policy and consequences



– Which output is more important? Real one or perceived one?

Politics

- re: Interaction of actors...
 - Process of making decision
 - Negotiation, interaction, conflict among Actors
 - Dynamic process...which creates a policy
- Politics affects
 - What is recognized as a problem
 - Which aims are set in the policy
 - How is the policy implemented
 - Whether is the policy evaluated
 - What will happen then

Decision-maker

- An actor with a power to make a decision
 - Individual or collective
 - Elected or appointed (or selected)
 - Formal power or informal power

- Typical decision-makers
 - Politician x Parliament
 - Ministry x Officer
 - Judge x Court Jury

Collective decision-makers

- Influence of decision making system
 - Voting rules
 - Procedural rules
 - The system of spreading and sharing information

Decision-maker characteristic

- Has his own motivation
- Has a different education and knowledge about the decision making process
 - To drive a car you need a licence
 - To lead the city you need.... what?
- Has an imperfect knowledge about the problem
- Is affected by other actors
 - Can be manipulated by provides of information or other interest groups
 - Via lobbying
 - Via corruption

Types of choice

- Negative – preserve status quo
- Positive – change status quo
- Non-decisions

Decision making models – early approaches

- Rational models
 - From problem to solution
- Incremental models
 - Small steps, trials, backsteps
 - Disjointed incrementalism
- Garbage can model
 - Dealing with lack of rationality,
 - considering randomness,
 - effects of dramatizations

Example: I am hungry...

- choosing restaurant, having big lunch, evaluate if I have space for desert
- Eat snack, discuss lunch, eat snack, have huge lunch, rest, change size of portion, have lunch again, eat dessert, realize that two snack are too much
- Pretend to faint in queue for lunch, discuss meaning of desert, drink beer, have another lunch, sing a song and support heathy snacks

Early models of four types of Decision-making

		Level of Available knowledge	
		High	Low
Level of change	High	Revolutionary	Analytical
	Low	Rational	Disjointed incremental

- What do we know? Can we increase level of knowledge?
- Is it possible or desirable to implement high level of change?
- Can you sort following?
 - Wearing helmet will be obligatory during cycling
 - Cancelling of the social security system and replacing it with the private insurance and individual savings
 - Change of permitted emission limits for cars
 - Increasing of minimal wage
 - Pension reform

Lobbying

- Lobbying ...an activity with the aim to affect decision-maker's decision.
- Long tradition (historically from a word “lobby” or passage where decision makers (councillors) went through the hall.... And crowd yelled their wishes)
- Lobbyists try to convince the decision-makers about changing his/her preferences
 - They can use serious resources as analysis, research results or manipulative techniques and misleading information
- Can be seen as natural activity of interesting groups or as potential threat for a democracy... why?

Think about role of tradition for perception of lobbying

- Countries with long tradition of lobbying
 - UK, US
- Post communistic countries
 - CZ, SVK
- Countries in post-war or unstable situation
 - Afghanistan, Sierra Leone

- Hint: defending interest is natural, but sometimes powerful groups are able to defend “better”

Regulation of Lobbying

- Very different across countries
- Regulation can be done via law or via self regulation
 - Rights, duties and penalties determined by law
 - Ethical standard guarded by professional chambers and ethical committees
- Regulation can be directed on
 - decision makers
 - lobbyists

Literature

- Howlett, Ramesh – Studying Public Policy... chapter 6
- Political Marketing and Propaganda: Uses, Abuses, Misuses
 - <https://www.tandfonline.com/doi/pdf/10.1080/15377857.2014.866018?needAccess=true>
 - Or file upload in the Information system