1

Policy Analysis

What Governments Do, Why They Do It, and What Difference It Makes

WHAT IS PUBLIC POLICY?

This book is about public policy. It is concerned with what governments do, why they do it, and what difference it makes. It is also about political science and the ability of this academic discipline to describe, analyze, and explain public policy.

Definition of Policy

Public policy is whatever governments choose to do or not to do.[1] Governments do many things. They regulate conflict within society; they organize society to carry on conflict with other societies; they distribute a great variety of symbolic rewards and material services to members of the society; and they extract money from society, most often in the form of taxes. Thus, public policies may regulate behavior, organize bureaucracies, distribute benefits, or extract taxes—or all of these things at once.

Policy Expansion and Government Growth

Today people expect government to do a great many things for them. Indeed there is hardly any personal or societal problem for which some group will not demand a government solution—that is, a public policy designed to alleviate personal discomfort or societal unease. Over the years, as more and more Americans turned to government to resolve society's problems, government grew in size and public policy expanded in scope to encompass just about every sector of American life.

Throughout most of the twentieth century, government grew in both absolute size and in relation to the size of the national economy. The size of the economy is usually measured by the gross domestic product (GDP), the sum of all the goods and services produced in the United States in a year (see Figure 1–1). Government spending amounted to only about 8 percent of the GDP at the beginning of the last century, and most governmental activities were carried out by state and local governments. Two world wars, the New Deal programs devised during the Great Depression of the 1930s, and the growth of the Great Society programs of the 1960s and 1970s all greatly expanded the size of government, particularly
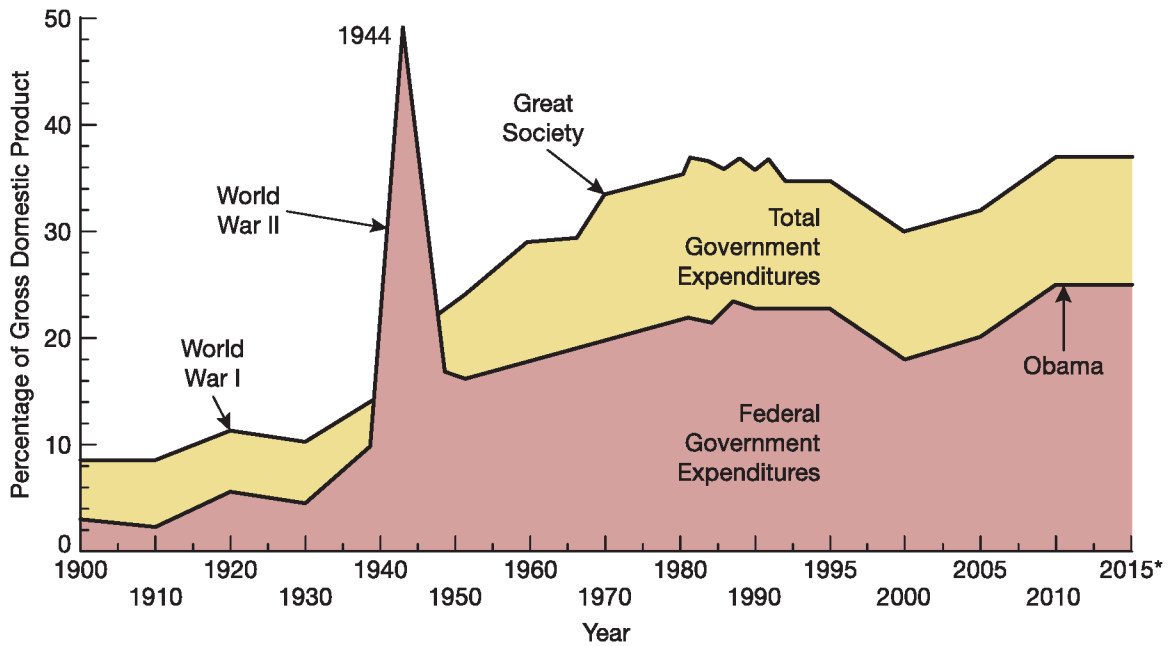
FIGURE 1–1   The Growth of Government The size of government can be measured in relation to the size of the economy. Total federal, state, and local government spending now exceeds 37 percent of the GDP, the size of the economy.
*Estimate from *Budget of the United States Government 2012*.

the federal government. The rise in government growth relative to the economy leveled off during the Reagan presidency (1981–1989). The economy in the 1990s grew faster than government spending, resulting in a modest decline in the size of government *relative to the economy*. Federal spending costs less than 20 percent of the GDP.

The Obama Administration brought about a dramatic increase in federal spending, much of it in response to the "Great Recession" of 2008–2009. Federal spending in 2009 soared to 28 percent of the GDP; this spending included a "stimulus" package designed to jumpstart the economy (see Chapter 10). But it is expected that continued increases in federal spending under President Barack Obama will keep federal spending close to 25 percent of the GDP, the highest figure since World War II. The nation's 50 state governments and 87,000 local governments (cities, counties, towns and townships, school districts, and special districts) combined to account for over 12 percent of the GDP. *Total* government spending—federal, state, and local—now amounts to about 37 percent of GDP.

Scope of Public Policy

Not everything that government does is reflected in governmental expenditures. *Regulatory activity*, for example, especially environmental regulations, imposes significant costs on individuals and businesses; these costs are *not* shown in government budgets. Nevertheless, government spending is a common indicator of governmental functions and priorities. For example, Figure 1–2 indicates that the *federal government* spends more on senior citizens—in Social Security and Medicare outlays—than on any other function, including national defense. Federal welfare and health programs account for substantial budget outlays, but federal financial support of education
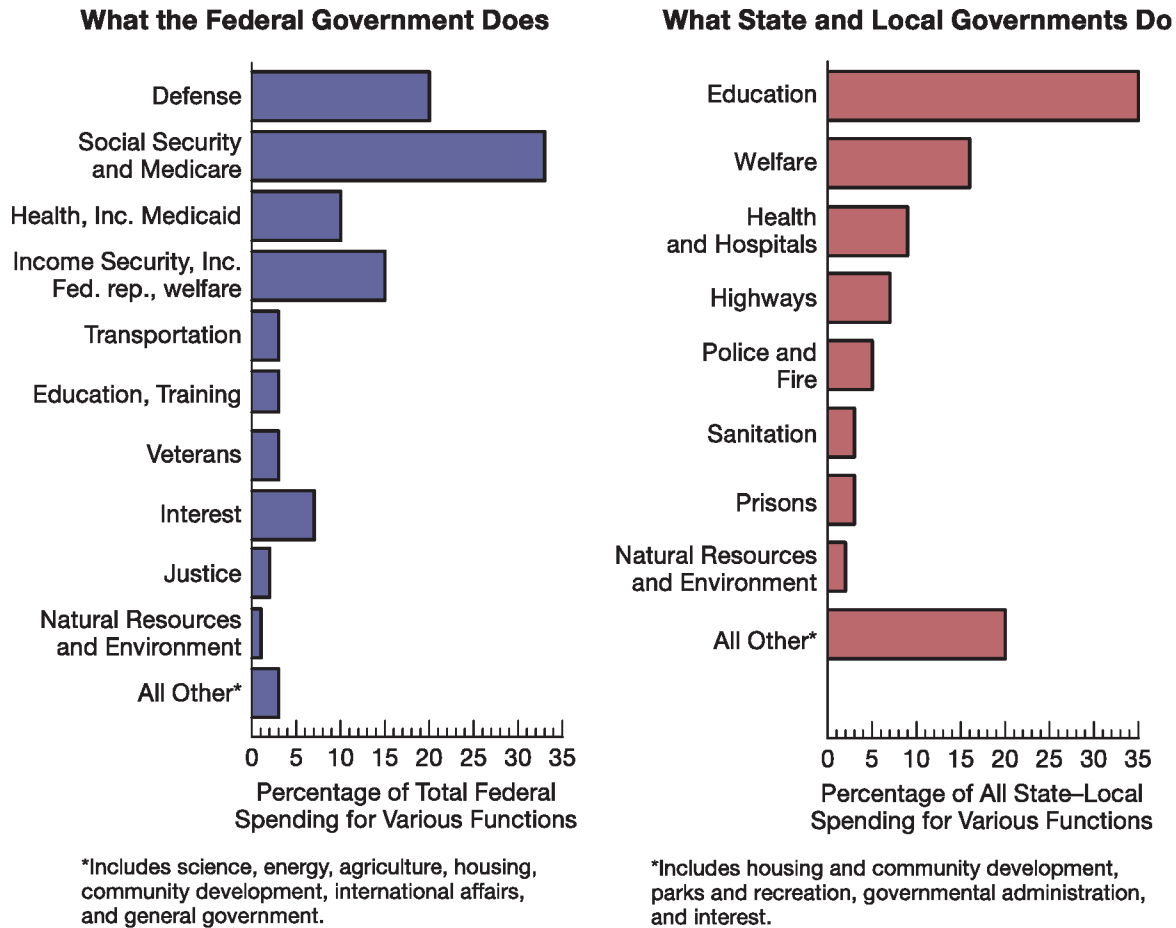
What the Federal Government Does

Function	Percentage
Defense	
Social Security and Medicare	
Health, Inc. Medicaid	
Income Security, Inc. Fed. rep., welfare	
Transportation	
Education, Training	
Veterans	
Interest	
Justice	
Natural Resources and Environment	
All Other*	

0 5 10 15 20 25 30 35

Percentage of Total Federal
Spending for Various Functions

*Includes science, energy, agriculture, housing, community development, international affairs, and general government.

What State and Local Governments Do

Function	Percentage
Education	
Welfare	
Health and Hospitals	
Highways	
Police and Fire	
Sanitation	
Prisons	
Natural Resources and Environment	
All Other*	

0 5 10 15 20 25 30 35

Percentage of All State–Local
Spending for Various Functions

*Includes housing and community development, parks and recreation, governmental administration, and interest.

FIGURE 1–2   Public Policy: What Governments Do Government spending figures indicate that Social Security and Medicare consume the largest share of federal spending, while education is the largest item in state and local government spending.
SOURCES: *Budget of the United States Government, 2012; Statistical Abstract of the United States, 2011.*

is very modest. *State and local governments* in the United States bear the major burden of public education. Welfare and health functions consume larger shares of their budgets than highways and law enforcement do.

WHY STUDY PUBLIC POLICY?

Political science is the study of politics—the study of "who gets what, when, and how?"[2] It is more than the study of governmental institutions, that is, federalism, separation of powers, checks and balances, judicial review, the powers and duties of Congress, the president, and the courts. "Traditional" political science focuses primarily on these institutional arrangements, as well as the philosophical justification of government. And political science is more than the study of political processes, that is, campaigns and elections, voting, lobbying, legislating, and adjudicating. Modern "behavioral" political science focuses primarily on these processes.

Political science is also the study of public policy—*the description and explanation of the causes and consequences of government activity*. This focus involves a description of the content of public policy; an analysis of the impact of social, economic, and political forces on the content of public policy; an inquiry into the effect of various institutional arrangements and political processes on public policy; and an evaluation of the consequences of public policies on society, both intended and unintended.

WHAT CAN BE LEARNED FROM POLICY ANALYSIS?

Policy analysis is finding out what governments do, why they do it, and what difference, if any, it makes. What can be learned from policy analysis?

Description

First, we can describe public policy—we can learn what government is doing (and not doing) in welfare, defense, education, civil rights, health, the environment, taxation, and so on. A factual basis of information about national policy is really an indispensable part of everyone's

Setting Budget Priorities of the President Policy analysis begins by finding out what government is doing. The annual *Budget of the United States Government* is the single most comprehensive policy document of the federal government. It sets forth the policy priorities of the president with price tags attached. It sets the parameters of the debate in Congress over spending and deficit levels. The photo shows copies of the budget for 2012 being delivered to the Senate Budget Committee in February 2011.   (© Michael Reynolds/epa/Corbis)

education. What does the Civil Rights Act of 1964 actually say about discrimination in employment? What did the Supreme Court rule in the *Bakke* case about affirmative action programs? What do the Medicaid and Medicare programs promise for the poor and the aged? What agreements have been reached between the United States and Russia regarding nuclear weapons? How much money are we paying in taxes? How much money does the federal government spend each year, and what does it spend it on? These are examples of descriptive questions.

Causes

Second, we can inquire about the causes, or determinants, of public policy. Why is public policy what it is? Why do governments do what they do? We might inquire about the effects of political institutions, processes, and behaviors on public policies (Linkage B in Figure 1–3). For example, does it make any difference in tax and spending levels whether Democrats or Republicans control the presidency and Congress? What is the impact of lobbying by the special interests on efforts to reform the federal tax system? We can also inquire about the effects of social, economic, and cultural forces in shaping public policy (Linkage C in Figure 1–3). For example: What are the effects of changing public attitudes about race on civil rights policy? What are the effects of recessions on government spending? What is the effect of an increasingly older population on the Social Security and Medicare programs? In scientific terms, when we study the *causes* of public policy, policies become the *dependent* variables, and their various political, social, economic, and cultural determinants become the *independent* variables.

Consequences

Third, we can inquire about the consequences, or impacts, of public policy. Learning about the consequences of public policy is often referred to as *policy evaluation*. What difference, if any, does public policy make in people's lives? We might inquire about the effects of public policy on political institutions and processes (Linkage F in Figure 1–3). For example, what is the effect of continuing high unemployment on Republican party fortunes in Congressional elections? What is the impact of economic policies on the president's popularity? We also want to examine the impact of public policies on conditions in society (Linkage D in Figure 1–3). For example, does capital punishment help to deter crime? Does cutting cash welfare benefits encourage people to work? Does increased educational spending produce higher student achievement scores? In scientific terms, when we study the *consequences* of public policy, policies become the *independent* variables, and their political, social, economic, and cultural impacts on society become the *dependent* variables.

POLICY ANALYSIS AND POLICY ADVOCACY

It is important to distinguish policy analysis from policy advocacy. *Explaining* the causes and consequences of various policies is not equivalent to *prescribing* what policies governments ought to pursue. Learning *why* governments do what they do and what the consequences of their actions are is not the same as saying what governments *ought* to do or bringing about changes in what

Society   Political System   Public Policy
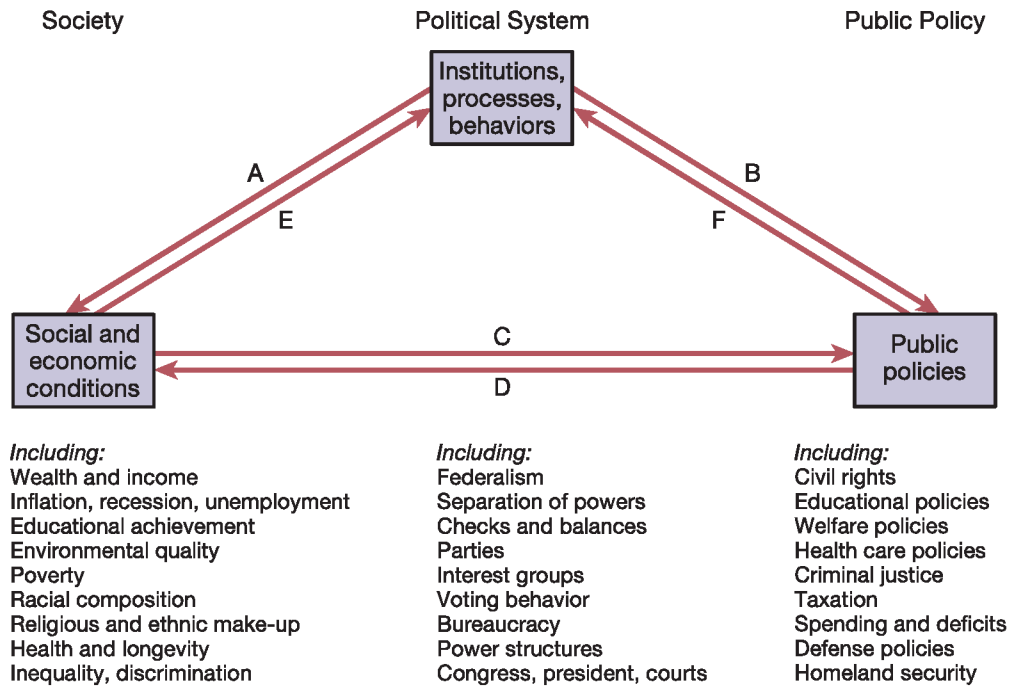
Linkage A: What are the effects of social and economic conditions on political and governmental
            institutions, processes, and behaviors?
Linkage B: What are the effects of political and governmental institutions, processes, and behaviors
            on public policies?
Linkage C: What are the effects of social and economic conditions on public policies?
Linkage D: What are the effects (feedback) of public policies on social and economic conditions?
Linkage E: What are the effects (feedback) of political and governmental institutions, processes, and
            behaviors on social and economic conditions?
Linkage F: What are the effects (feedback) of public policies on political and governmental institutions,
            processes, and behaviors?

FIGURE 1–3   Studying Public Policy, its Causes and Consequences This diagram
(sometimes referred to as the "systems model") classifies societal conditions, political
system characteristics, and public policies, and suggests possible linkages between them.

they do. Policy advocacy requires the skills of rhetoric, persuasion, organization, and activism.
Policy analysis encourages scholars and students to attack critical policy issues with the tools of
systematic inquiry. There is an implied assumption in policy analysis that developing scientific
knowledge about the forces shaping public policy and the consequences of public policy is itself
a socially relevant activity, and that policy analysis is a *prerequisite* to prescription, advocacy, and
activism.

Specifically, policy analysis involves:

1. A *primary concern with explanation rather than prescription.* Policy recommendations—
   if they are made at all—are subordinate to description and explanation. There is
   an implicit judgment that understanding is a prerequisite to prescription and that
   understanding is best achieved through careful analysis rather than rhetoric or
   polemics.

2. *A rigorous search for the causes and consequences of public policies.* This search involves the use of scientific standards of inference. Sophisticated quantitative techniques may be helpful in establishing valid inferences about causes and consequences, but they are not essential.

3. *An effort to develop and test general propositions about the causes and consequences of public policy and to accumulate reliable research findings of general relevance.* The object is to develop general theories about public policy that are reliable and that apply to different government agencies and different policy areas. Policy analysts clearly prefer to develop explanations that fit more than one policy decision or case study— explanations that stand up over time in a variety of settings.

However, it must be remembered that policy issues are decided not by analysts but by political actors—elected and appointed government officials, interest groups, and occasionally even voters. Social science research often does not fare well in the political arena; it may be interpreted, misinterpreted, ignored, or even used as a weapon by political combatants. Policy analysis sometimes produces unexpected and even politically embarrassing findings. Public policies do not always work as intended. And political interests will accept, reject, or use findings to fit their own purposes.

POLICY ANALYSIS AND THE QUEST FOR SOLUTIONS TO AMERICA'S PROBLEMS

It is questionable that policy analysis can ever "solve" America's problems. Ignorance, crime, poverty, racial conflict, inequality, poor housing, ill health, pollution, congestion, and unhappy lives have afflicted people and societies for a long time. Of course, this is no excuse for failing to work toward a society free of these maladies. But our striving for a better society should be tempered with the realization that solutions to these problems may be very difficult to find. There are many reasons for qualifying our enthusiasm for policy analysis.

Limits on Government Power

First, it is easy to exaggerate the importance, both for good and for ill, of the policies of governments. It is not clear that government policies, however ingenious, can cure all or even most of society's ills. Governments are constrained by many powerful social forces—patterns of family life, class structure, child-rearing practices, religious beliefs, and so on. These forces are not easily managed by governments, nor could they be controlled even if it seemed desirable to do so. Some of society's problems are very intractable.

Disagreement over the Problem

Second, policy analysis cannot offer solutions to problems when there is no general agreement on what the problems are. For example, in educational policy some researchers assume that raising achievement levels (measures of verbal and quantitative abilities) is the problem to which our efforts should be directed. But educators often argue that the acquisition of verbal and quantitative skills is not the only, or even the most important, goal of the public schools. They contend

that schools must also develop positive self-images among pupils of all races and backgrounds, encourage social awareness and the appreciation of multiple cultures, teach children to respect one another and to resolve their differences peacefully, raise children's awareness of the dangers of drugs and educate them about sex and sexually transmitted diseases, and so on. In other words, many educators define the problems confronting schools more broadly than raising achievement levels.

Policy analysis is not capable of resolving value conflicts. If there is little agreement on what values should be emphasized in educational policy, there is not much that policy research can contribute to policymaking. At best it can advise on how to achieve certain results, but it cannot determine what is truly valuable for society.

Subjectivity in Interpretation

Third, policy analysis deals with very subjective topics and must rely on interpretation of results. Professional researchers frequently interpret the results of their analyses differently. Social science research cannot be value-free. Even the selection of the topic for research is affected by one's values about what is important in society and worthy of attention.

Limitations on Design of Human Research

Another set of problems in systematic policy analysis centers around inherent limitations in the design of social science research. It is not really possible to conduct some forms of controlled experiments on human beings. For example, researchers cannot order children to go to overcrowded or underfunded schools for several years just to see if it adversely impacts their achievement levels. Instead, social researchers must find situations in which educational deprivation has been produced "naturally" in order to make the necessary observations about the causes of such deprivation. Because we cannot control all the factors in a real-world situation, it is difficult to pinpoint precisely what causes educational achievement or nonachievement. Moreover, even where some experimentation is permitted, human beings frequently modify their behavior simply because they know that they are being observed in an experimental situation. For example, in educational research it frequently turns out that children perform well under *any* new teaching method or curricular innovation. It is difficult to know whether the improvements observed are a product of the new teaching method or curricular improvement or merely a product of the experimental situation.

Complexity of Human Behavior

Perhaps the most serious reservation about policy analysis is the fact that social problems are so complex that social scientists are unable to make accurate predictions about the impact of proposed policies. *Social scientists simply do not know enough about individual and group behavior to be able to give reliable advice to policymakers.* Occasionally policymakers turn to social scientists for "solutions," but social scientists do not have any. Most of society's problems are shaped by so many variables that a simple explanation of them, or remedy for them, is rarely possible. The fact that social scientists give so many contradictory recommendations is an indication of the absence of reliable scientific knowledge about social problems. Although some scholars argue that no advice

is better than contradictory or inaccurate advice, policymakers still must make decisions, and it is probably better that they act in the light of whatever little knowledge social science can provide than that they act in the absence of any knowledge at all. Even if social scientists cannot predict the impact of future policies, they can at least attempt to measure the impact of current and past public policies and make this knowledge available to decision makers.

POLICY ANALYSIS AS ART AND CRAFT

Understanding public policy is both an art and a craft. It is an art because it requires insight, creativity, and imagination in identifying societal problems and describing them, in devising public policies that might alleviate them, and then in finding out whether these policies end up making things better or worse. It is a craft because these tasks usually require some knowledge of economics, political science, public administration, sociology, law, and statistics. Policy analysis is really an applied subfield of all of these traditional academic disciplines.

We doubt that there is any "model of choice" in policy analysis—that is, a single model or method that is preferable to all others and that consistently renders the best solutions to public problems. Instead we agree with political scientist Aaron Wildavsky, who wrote:

> Policy analysis is one activity for which there can be no fixed program, for policy analysis is synonymous with creativity, which may be stimulated by theory and sharpened by practice, which can be learned but not taught.[3]

Wildavsky goes on to warn students that solutions to great public questions are not to be expected:

> In large part, it must be admitted, knowledge is negative. It tells us what we cannot do, where we cannot go, wherein we have been wrong, but not necessarily how to correct these errors. After all, if current efforts were judged wholly satisfactory, there would be little need for analysis and less for analysts.

There is no one model of choice to be found in this book, but if anyone wants to begin a debate about different ways of understanding public policy, this book is a good place to begin.

SUMMARY

There are a variety of definitions of public policy. But we say simply that public policy is whatever governments choose to do or not to do.

1. Policy analysis is finding out what governments do, why they do it, and what difference it makes.

2. The scope of public policy has expanded as governments do more things and grow in size.

3. A systems model relates societal conditions to political institutions and processes, and to policy outcomes.

4. Policy analysis is often limited by disagreements over the nature of societal problems, by subjectivity in the interpretation of results, by limitations to the design of policy research, and by the complexity of human behavior.

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NOTES

1. This book discourages elaborate academic discussions of the definition of public policy— we say simply that public policy is whatever governments choose to do or not to do. Even the most elaborate definitions of public policy, on close examination, seem to boil down to the same thing. For example, political scientist David Easton defines public policy as "the authoritative allocation of values for the whole society"—but it turns out that only the government can "authoritatively" act on the "whole" society, and everything the government chooses to do or not to do results in the "allocation of values."

   Political scientist Harold Lasswell and philosopher Abraham Kaplan define policy as a "a projected program of goals, values, and practices," and political scientist Carl Friedrick says, "It is essential for the policy concept that there be a goal, objective, or purpose." These definitions imply a difference between specific government actions and an overall program of action toward a given goal. But the problem raised in insisting that government actions must have goals in order to be labeled "policy" is that we can never be sure whether or not a particular action has a goal, or if it does, what that goal is. Some people may assume that if a government chooses to do something there must be a goal, objective, or purpose, but all we can really observe is what governments choose to do or not to do. Realistically, our notion of public policy must include *all actions* of government, and not what governments or officials say they are going to do. We may wish that governments act in a "purposeful, goal-oriented" fashion, but we know that all too frequently they do not.

   Still another approach to defining public policy is to break down this general notion into various component parts. Political scientist Charles O. Jones asks that we consider the distinction among various proposals (specified means for achieving goals), programs (authorized means for achieving goals), decisions (specific actions taken to implement programs), and effects (the measurable impacts of programs). But again we have the problem of assuming that decisions, programs, goals, and effects are linked. Certainly in many policy areas we will see that the decisions of government have little to do with announced "programs," and neither are connected with national "goals." It may be unfortunate that our government does not function neatly to link goals, programs, decisions, and effects, but, as a matter of fact, it does not.

   So we shall stick with our simple definition: *public policy is whatever governments choose to do or not to do.* Note that we are focusing not only on government action but also on government inaction, that is, what government chooses *not* to do. We contend that government *inaction* can have just as great an impact on society as government action.

   See David Easton, *The Political System* (New York: Knopf, 1953), p. 129; Harold D. Lasswell and Abraham Kaplan, *Power and Society* (New Haven, CT: Yale University Press, 1970), p. 71; Carl J. Friedrich, *Man and His Government* (New York: McGraw-Hill, 1963), p. 70; Charles O. Jones, *An Introduction to the Study of Public Policy* (Boston: Duxbury, 1977), p. 4.

2. Harold Lasswell, *Politics: Who Gets What, When and How* (New York: McGraw Hill, 1936).

3. Aaron Wildavsky, *Speaking Truth to Power* (New York: John Wiley, 1979), p. 3.

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WEB SITES

OFFICE OF THE PRESIDENT. White House home page, with president's policy positions, speeches, press releases, etc. *www.whitehouse.gov*

U.S. HOUSE OF REPRESENTATIVES. Official House Web site, with links to individual House members' Web sites. *www.house.gov*

U.S. SENATE. Official Senate Web site, with links to individual senators' Web sites. *www.senate.gov*

U.S. CONGRESS ON THE INTERNET. Library of Congress Thomas search engine for finding bills and tracing their progress through Congress. *http://thomas.loc.gov*

FEDERAL STATISTICS ONLINE. Links to federal statistical reports, listed by topic A–Z. *www.fedstats.gov*

U.S. CENSUS BUREAU. The official site of the Census Bureau, with access to all current reports—population, income and poverty, government finances, etc. *www.census.gov*

FIRST GOV. U.S. government's official portal to all independent agencies and government corporations. *www.firstgov.gov*

FEDERAL JUDICIARY. U.S. judiciary official site, with links to all federal courts. *www.uscourts.gov*

SUPREME COURT CASES. Compilation of all key U.S. Supreme Court decisions. *www.supct.law.cornell.edu*

LIBRARY OF CONGRESS. Compilation of the laws of the United States. *http://thomas.loc.gov*

Federal "stimulus" spending Airport construction funded by the American Recovery and Reinvestment Act of 2009. This legislation, known in Washington as the "stimulus package," was designed to pump $787 billion into the American economy to offset the "Great Recession." This bill was a decidedly "non-incremental" addition to federal spending and deficits. Indeed, the 2009 federal budget included the largest single increase in spending and deficit levels incurred in any year in history. (© Rick D'Elia/Corbis)