

BETTER POLICY MAKING AND DESIGN

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Policy is important. It's everywhere.

It seeks to bring about a new reality by improving welfare.

How do we make good policy ?

How do we answer the question “Is this a good policy ?”

How do we answer it objectively ?

Most common answer would be “Look at the policy’s results”

A good policy is one that achieves its intended targets at reasonable cost.

But results suffer from lags.

Lags between

- intending to create an outcome and actually creating it.
- the actual outcome and its measurement.

In EU Cohesion Policy the lags add up to at least four years.

At best:

The question we answer is not “Is this a good policy ?”

But “**Was** this a good policy ?”

Also

Other things will have happened.

The cause-and-effect of our policy becomes confused.

Did the policy cause this outcome or was it the result of something else ?

This seems academic but consider some real world policy results

- Deregulation and the Banking crisis
- Emission testing and VW diesel cars
- Western policy in Syria and the appearance of the and expansion of the ISIS Caliphate
- Economic development and widening income disparities

Is there a way in which we could have predicted these policy failures without waiting for the results ?

- Yes. We can begin to answer “Is this a good policy ?” by looking at the way the policy is made and managed ?
- By looking at the **process** of a policy as well as its results ?

And, surprisingly, this helps us to see that a good policy is **more than** a policy with good outcomes.

Can we deconstruct a policy ?
Like a car ?

We can detect three constants and three
variables in policy-making.

The three **constants**

- Identity – who is policy made for ?
- Political ethics;
- Time pressure.

The three **variables**

- Knowledge of the relevant issue;
- Bureaucracy;
- Ideology.

But in “new” countries **some of the constants may become variables**. This makes for added difficulty, requiring even better knowledge and bureaucracy.

Ukraine is an example of where a new political ethic is a policy objective. And, for some people in Ukraine, identity is a variable.

These factors help us in judging the quality of policy.

We can judge

- knowledge as being complete or relevant;
- bureaucracy as necessary or superfluous, efficient or inefficient;
- ideology as being informed or blind, reality-based or something that “feels” right.

Continuing our deconstruction, a policy is made of

- An objective;
- An implementation system;
- An operational budget, perhaps;
- Practical content;
- Evaluation, monitoring.

And going still further, the policy community is made of

- Politicians
- Civil Servants, which may include Civil Society
- Target beneficiaries;
- Policy contributors.

And since policy takes place through time, these groups are large.

For a decentralised policy they are very large – civil servants and civil society may number tens of thousands.

Can we put these factors together to find some do's and don't's of good policy-making ?

Let's look at the importance of

- Knowledge;
- Consensus;
- The policy objective;
- Bureaucracy or the implementation system; and
- Evaluation

We can also talk about budget management and policy content (or projects).

Knowledge – We need to

- consult widely (not just with special interests);
- compile, assimilate and appraise a wide variety of evidence;
- be aware of latest thinking;
- take special care with evidence offered by committed sources;
- put aside evidence that is clearly subjective;
- understand what we can change in a given time.

Building a **durable consensus** is vital.

The consensus must include

- the people implementing the policy, today and in the future
- the target beneficiaries;
- the contributors.

The people implementing the policy are of special importance.

The **objective** must be

- Realistic – ideology must take account of what is practicable
- Identify the target beneficiaries
- Quantified with benchmarks and targets (data series)
- Time limited – the people we are trying to help are impatient for results

This will enable us to make evidence-based policy.

The implementation system = Bureaucracy

“Bureaucracy” – when good policy meets bad bureaucracy, bad bureaucracy wins.

- Is your bureaucracy simple ?
- Transparent to target beneficiaries ?
- Accountable ?
- Rapid ?
- Affordable in human and financial resources ?
- Proportional in its mechanisms ?
- Are there clear divisions of responsibility ?
- Does everyone involved in delivery understand the policy’s goals ?
- Do target beneficiaries understand what they must do ?

Is your action necessary ?

- Policies overlap, how can you engage with others ?
- Can markets achieve your goals without any help ?
- Can the work of the public administration be privatised ?

The **Iron Law** is that a policy that cannot be simply communicated and understood by front-line staff cannot be satisfactorily implemented.

Evaluation is when we mark our own homework.

- So we have to be careful.
- Evaluation is a delicate business.

Evaluation can only work if the objective is properly framed. There are two types.

- Politicians **may** ask “How good is this policy ?”
- Civil Servants **should** ask “How can this policy be improved ?”

The two types are worlds apart.

- “How can this policy be improved ?” is evidence-based policy-making
- “How good is this policy ?” seeks to further the policy’s ideological component.

There should not be a war between ideology and evaluation.

Ideology is an essential component of policy.

The purpose of evaluation is to help ideology to achieve its improvement in people's welfare.

Evaluation and monitoring are **not** the same thing.

- Evaluation can take place at each stage of the policy process.
- Monitoring can only start when results become visible. It becomes more important the longer the policy continues.

Evaluation is only of value if we use its results.

Perhaps it will help to

- sharpen our objective;
- improve our implementation system or bureaucracy;
- improve our cost effectiveness.

We began with the three constants and three variables.

Consider them in another way.

Policy takes place against a background of **uncertainty.**

How can we assure the quality of policy in a climate of uncertainty ?

- Governments change or the priorities of governments change.
- The economy changes.
- Society changes – its ethnicity, its religious choices.
- New knowledge erupts – the refugee crisis, for example.
- The policy mix changes – the banking crisis leads to budget austerity.

One way to safeguard against uncertainty is to be rapid and certain in action.

Also, uncertainty gives added value to **Four C's** of policy quality.

Four C's



1. **Cross-cutting** – tying different aspect of policy together to boost cost effectiveness.
2. **Coordination of policies** (public, privatised, private) – looking for the possibilities of joint management to improve on-the-ground results and avoiding conflict.
3. **Consultation** with socio-economic actors who are affected by the policy to increase the feeling of shared ownership and confidence in the policy.
4. **Communication and connectivity** at all stages of the policy's life cycle – especially between policy-makers, target beneficiaries and contributors – to maintain and strengthen the consensus of support on which the policy depends.

Thank you for your attention