

# Policy Development in Practice An Overview of the Policy Process

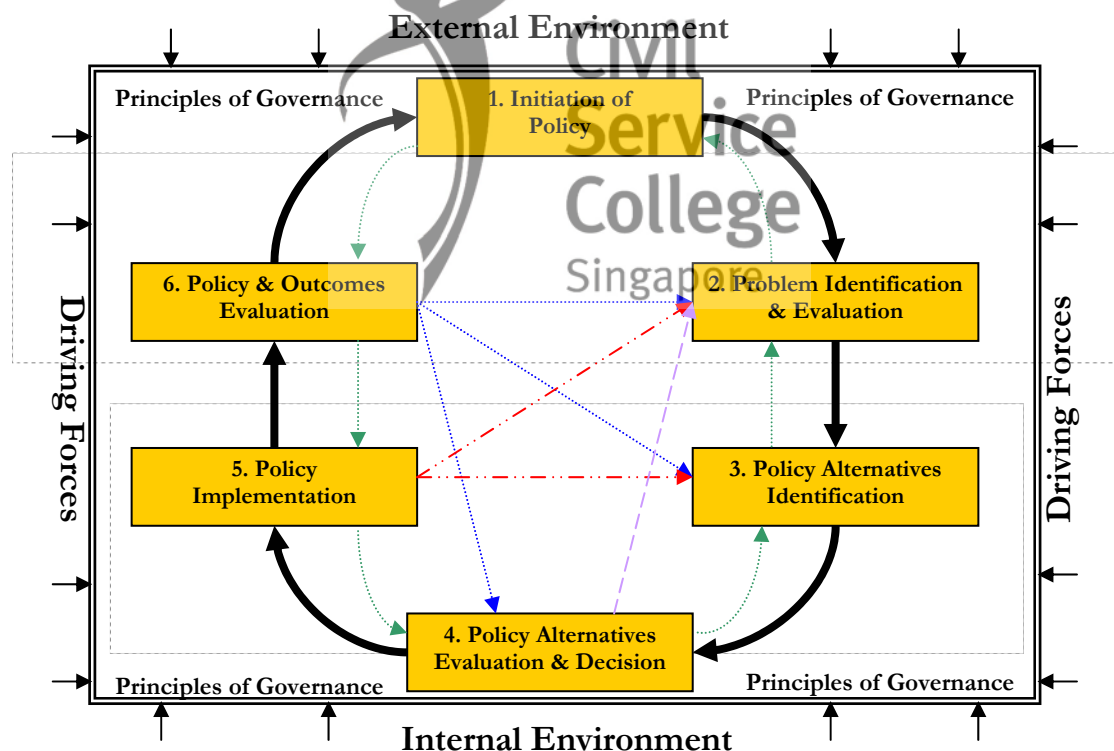
## INTRODUCTION

The world around us imposes social, economic, physical and other conditions that can create vexing problems for citizens. Public policies are therefore statements of government intention to meet the needs of the citizenry; and public policy development can be described as a course of action taken by government in order to meet a public need.

This paper draws together key ideas from academic and other literature, and presents an overview of public policy development processes that have relevance for the Singapore context.

## POLICY DEVELOPMENT PROCESSES

The processes may be represented by the following diagram.



The term *development* may be taken to imply a neat, highly rational and structured approach. This is rarely the case. Policy development is not a linear process with each stage being completed before the next one begins. On the contrary, the process is dynamic and iterative with the various stages feeding into

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each other. The external environment around us also imposes social, economic, physical and other conditions, contributing to a complex process with many unknown factors at play. The policy process is underpinned by our principles of governance through creating a common ethos from which we can tackle and solve many complex problems that arise.

### **1. Initiation**

This is the act of putting the issue or problem on the policy-makers' agenda. Initiation can be the result of:

- an external environmental forces (pressure or suggestion from outside the organization);
- internal objectives, goals or reviews; or
- internal perceptions of the external environment.

Since initiation involves a commitment of resources, it must generally have the support of senior government officials. But in an ideal situation, anybody at any level should be able, with a critical mass of support, to initiate policy development to address the concerns of the society of which they are a part. This is important not just for citizen ownership reasons, but also because in an era of complexity and rapid change, policy-makers must rely on signals from multiple sources to be able to govern effectively.

### **2. Problem Identification and Evaluation**

This is the process of exploring and clarifying the dimensions of the problem. What policy-makers encounter are observable facts and symptoms. Their role is to determine what the problem is, and the underlying causes, so that effective solutions may be found. This involves:

- assembling and analyzing available data, preferably from multiple reliable sources;
- understanding the context of the problem, e.g. historical events, external driving forces, related issues;
- identifying and understanding stakeholder perspectives, e.g. through surveys or other methods of consultation;
- identifying values; these are often what lie at the heart of many major issues, and where solutions need to be directed.

In the process of problem identification, it is also helpful to distinguish between real and perceived problems. Both are valid, but require different approaches. Problem identification may also lead to the initiation of new policy problems as a result of new information.

### **3. Policy Alternatives Identification**

It is not always possible to create an inventory of policy options from which to decide. The delay may be unacceptable, the resources required to make the options meaningful may be impractical, or policy-makers may already be predisposed to one particular solution.

For these reasons, the process of identifying policy alternatives may be best thought of as a discipline. It ensures that some degree of divergent thinking takes place so that values and assumptions are always surfaced and challenged, and can also bring about greater clarity as policy-makers choose between the options.

Some ways to develop policy alternatives include writing scenarios, consulting stakeholders, literature review and inter-country comparisons. The option of inaction (or what has been called “masterly inactivity”) should also be considered -- the best solution to a given problem may lie outside the government’s capacity, and greater public value might be achieved if the problem were handled by non-government actors.

It is important to also think through the implementation and unintended consequences of each policy option. This will present a fairer picture of the option and help with the evaluation.

#### **4. Policy Alternatives Evaluation and Decision**

This process involves understanding the pros and cons of each option, and making a decision in favour of one option. It implies a set of evaluation criteria that may be explicit or tacit. Examples of criteria include:

- technical and administrative feasibility;
- organizational capacity;
- political support;
- cost or financial viability;
- equity; and
- efficiency.

Although the power to decide vests in the policy-maker, broader involvement is also possible, for instance through citizen surveys. Policy-makers should also ensure that the final policy decision is based on a valid theory of cause and effect, i.e. policy A creates desired outcome B.

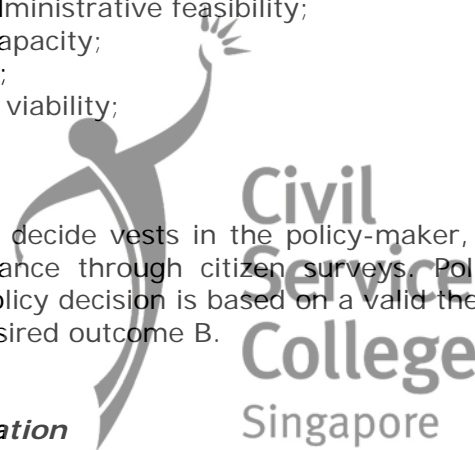
#### **5. Policy Implementation**

Implementation is the process by which a policy is brought to fruition through the preparation and execution of a plan of action. It is important for policy-makers to pay as much attention to this stage as to the earlier stages, and not declare victory too soon. Implementation sometimes uncovers aspects of the problem that were not identified earlier, leading to modifications or even alternatives to the original policy.

A key aspect of good implementation is to ensure that all implementing parties are clear on the roles they are to play in bringing about and sustaining the new policy. This includes articulating rules and procedures, anticipating scenarios and mechanisms to deal with them, and building capacity within the organization.

The timing of policy implementation should also be a deliberate decision. For instance, before introducing a fee hike, it may be useful for policy-makers to find out if other fees are being changed, so that the impact and perception of the public can be better managed. Policy-makers can also consider implementing a policy via a trial or pilot run first, to allow policies to be tested and reviewed before wholesale implementation.

Another key aspect of implementation is stakeholder communication. Since new policy implies a change to the status quo, interested parties must get a reasonable opportunity to understand what the change entails. This involves:



- communicating in a medium that is accessible to the interested party;
- communicating in a language that is understood by the interested party;
- communicating both the objectives and the substance of the policy change;
- addressing concerns pre-emptively. Consider both rational and emotional concerns.

## 6. Policy and Outcomes Evaluation

This is the process by which a policy is assessed for its effectiveness with regard to its stated objectives. Although clearly an important process, policy review is not always welcome. Some policies have inherent limitations, or may even have failed or become outdated, and exposing these can create political problems. The information produced by an evaluation can also become a resource to the opposition or competition.

Reviews must therefore be sensitively handled. But they are essential if policy-makers are to learn from and improve on what they do, and the value they deliver to the public. Both the policy process and outcome should be evaluated.

### GENERAL OBSERVATIONS

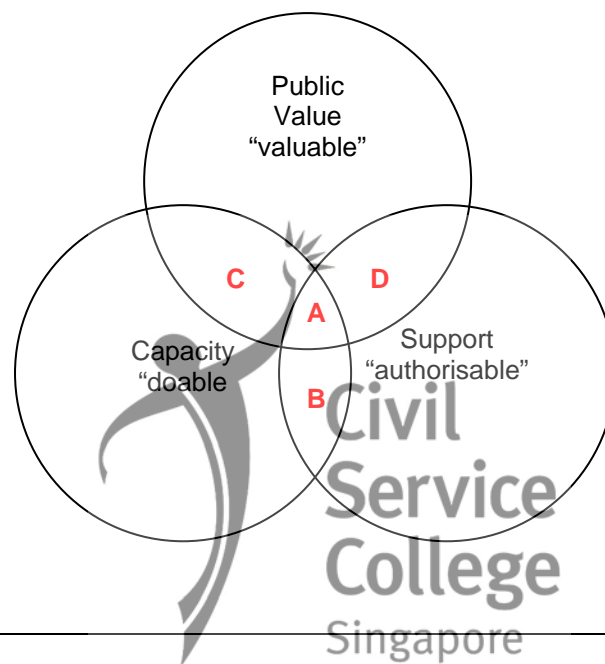
Analytical rigour versus intuition. One of the basic challenges of policy-making is establishing cause and effect between problem, solution and desired outcome. There is typically insufficient information for a policy-maker to be completely certain that the policy he proposes will lead to a predetermined outcome. This reality can lead to two possible extremes. The first is where a policy-maker sacrifices timeliness and sometimes even action, in order to be comprehensive and rigorous. As Keynes put it, "Being well-informed makes the process of arriving at a decision even more complicated and difficult." The second is where a policy-maker makes decisions purely on gut and intuition, on the basis that any amount of data can never be complete or conclusive. Good policy development should avoid either extreme.

Political reality. Although policy-makers should approach problems rationally, they should understand that many policy issues have a political dimension. Political judgment involves making trade-offs between different programs, objectives and constituencies, and there is therefore a need for some ambiguity if such bargains are to be negotiated.

Policy timelag. Policy-makers should keep in mind the possibility that the policy timeframe may be long enough that even as the policy is being developed or implemented, the problem it seeks to address may have taken on a new form, or disappeared altogether. The implication is that problem identification cannot be viewed as a discrete step in policy development, but a continuous process.

The role of consultation. Consultation is not just feedback. Consultation can take many forms – it can be an open, public process, or a selective one. It can be helpful not just for understanding the problem, but also for deriving policy options, evaluating them, and working through implementation issues. The important question that policy-makers should ask is whether there are information gaps that can be filled through consultative processes.

Values, capacity, support. A common mindset of policy-makers is that their role is to figure out how to mobilize the resources/capacity under their command, towards objectives and programs which have the support of the relevant stakeholders. This is essentially a technical challenge and relatively straightforward. But a third question which policy-makers should ask is whether the objective or program creates public value, that is, does it create public good, and is it in the public interest. The implication is that somebody needs to decide whether an action creates public value. It is thus the policy-maker's job to also determine what public value is. Importantly, something that creates public value may not necessarily have stakeholder support.




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