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# Part 1

## Policy and Theory

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# Introduction

## PART 1 POLICY AND THEORY

## ■ Why study policy?

Anyone interested in politics needs to understand how political decisions are made. Behind what we hear described as ‘policy’ on the nightly news and what we read about in the newspaper is a complex process involving a range of players with competing interests, facing an array of pressures. These players may be inside or outside of government, and inside or outside of the bureaucracy. They may come from industry, the not-for-profit non-government sector, unions, professional bodies or from academia. Understanding the way these players interact, what drives and informs them, how they think, and what they do, helps us all to understand and interpret the policies that these complex relationships eventually produce: policies that have implications for each of us in our daily lives. Policy determines where roads are built, how many nurses work in a hospital, what fees you pay at university, how much tax we pay, the price of child care and so on and so on. Policy goes beyond measures of efficiency, effectiveness and political feasibility, with demonstrable effects on citizenship, justice, discourse and democracy (Ingram & Schneider 2006: 169). Almost every aspect of our lives is touched by policy. If we understand how policy is made we have greater capacity to participate in that process, to have our voices heard and to influence decisions. This book will provide students of policy with both a theoretical understanding of public policy and an introduction to some of the real-world challenges and skills involved in working in a range of policy roles.

## ■ What is policy?

All policy, and public policy in particular, is inherently and unavoidably political. It involves political decisions made, not just by politicians, but also by a range of ‘policy makers’ who we will discuss further in Chapter 7. These decisions are complex: they necessitate the weighing of competing interests and values within the constraints produced by an institutional framework. Policy decisions necessitate – in varying combinations – degrees of cooperation, competition and conflict. The outcomes of policy decisions have real effects on people’s lives.

### **WHAT DO WE MEAN BY POLITICAL?**

When we use the terms ‘politics’ or ‘political’ in this book we are referring to more than just the business or activities of governments. Politics is an aspect of all social relations and is a central part of any situation where groups of people make decisions. Policy making is political in nature because the distribution of power among and between the groups and individuals involved will inevitably be unequal. Therefore when we talk about policy making as a political process we are highlighting the fact that making policy involves conflict and cooperation; struggles for power, influence and authority; and includes groups and individuals both inside and outside government.

In the field of policy studies there are myriad definitions of the term ‘public policy’. You will find a selection of these definitions in the box below.

### **DEFINITIONS OF PUBLIC POLICY**

Policy is:

- ‘what governments do, why they do it, and what difference it makes’ (Dye 1972: 2).
- ‘a purposive course of action followed by an actor or a set of actors in dealing with a problem or matter of concern’ (Anderson 1984: 3).
- ‘a series of patterns of related decisions to which many circumstances and personal, group, and organizational influences have contributed’ (Hogwood & Gunn 1984: 23–4).
- ‘a political agreement on a course of action (or inaction) designed to resolve or mitigate problems on the political agenda’ (Fischer 1995: 2).
- ‘an authoritative statement by a government about its intentions ... relying on hypotheses about cause and effect, and ... structured around objectives’ (Althaus, Bridgman & Davis 2007: 5).
- ‘an action which employs governmental authority to commit resources in support of a preferred value’ (Considine 1994: 3; he describes this as the ‘standard view’).
- ‘the continuing work done by groups of policy actors who use available public institutions to articulate and express the things they value’ (Considine 1994: 4; he describes this as ‘an alternate definition’).
- ‘the disposition and deliberate action of government on any and every matter over which it exercises authority. This includes the stated and the unstated, action and inaction, the choice of ends and the choice of means. Policies are often implemented by means of specific programs – formal arrangements for the delivery of government services’ (Fenna 2004: 5).
- ‘a set of interrelated decisions taken by a political actor or groups of actors concerning the selection of goals and the means of achieving them within a specified situation where those decisions should, in principle, be within the power of those actors to achieve’ (Jenkins 1978: 15).
- ‘part of the framework of ideas through which we make sense of the way in which, in different dimensions of our lives, we are governed’ (Colebatch 2002: 8).

This array of definitions can be classified into two general understandings of what policy is. Both relate the definition of what policy *is* to a view of how policy *is made*.

The first view is that policy is the result of **authoritative** or **authorised choice**, whereby governments make policy through a vertical, hierarchical process in which a government minister determines the eventual outcome. This is the classical view of public policy that dominates the field of policy studies.

The second view is that policy is the result of **structured interaction**, produced through complex horizontal relationships in which the end result is the product of compromise and the accommodation of competing interests.

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■ *Policy as authoritative choice*

The classical view of policy implies that there is a rational process underlying most policy making. Policy, from this perspective, is seen as ‘governments making decisions’. Ministers are presented with a problem, then enjoy a choice of actions and inaction as they make political decisions that can then be evaluated in order to assess whether the chosen policy achieved its aim and solved the given problem (Colebatch 1998: 102).

In the classical view, policy is seen as having certain incontrovertible characteristics:

- Policy is purposive: it is a decision to pursue a particular course of action to achieve a specified goal. It is outcome-focused.
- Policy decisions consider both ends and means.
- Policy may involve action or inaction, but in either case the important point in considering the outcome to be a policy is the fact that this course was a conscious decision and one that has been applied with some degree of consistency to a situation.
- Policy must be more than mere political rhetoric. To be considered policy some attempt at implementation must have occurred even if such attempts have failed.

This classical view relies on an assumption that policy is made by rational choices exercised by a singular, unified political actor. It calls on the notion of a ‘policy process’ through which to explain the steps by which policy is made. We will consider this idea of a ‘policy process’ further in Chapter 4.

As an exercise in authoritative choice, policy is seen as the result of pursuing governmental goals, making decisions and testing their consequences, in a structured process involving identifiable players and a recognisable sequence of steps. Policy in this view is political in the sense that it is an expression of the electoral and program priorities of the **executive**. In this view of what constitutes policy and how it is made, policies represent ‘an authoritative framework of the government’s beliefs and intentions in the policy area’ (Althaus, Bridgman & Davis 2007: 7). Policy practice is therefore directed primarily towards supporting and advising the authorised leaders in making their decisions (Colebatch 2006a: 7).

■ *Policy as structured interaction*

Those who argue that policy is arrived at through a process of structured interaction suggest an alternative view. According to one of the main proponents of the structured interaction perspective, Hal Colebatch, this view:

does not assume a single decision-maker, addressing a clear policy problem: it focuses on the range of participants in the game, the diversity of their understandings of the situation and the problem, the ways in which they interact with one another, and the outcomes of this interaction. It does not assume that this pattern of activity is a collective effort to achieve known and shared goals (1998: 102).

The role of government in policy making is considered quite differently in this view. Here government is not seen as a unified and decisive actor pursuing an agenda of its own choosing. Rather, government is seen as an 'arena', or a space, in which a range of political actors, all recognised as having a legitimate place at the policy table (stakeholders), interact to produce policy. Government is seen as responding to the actions of other participants in order to determine what issues or problems will be considered and what actions will be taken in response (Colebatch 2006a: 7–8).

### **POWER IN THE POLICY PROCESS**

If policy making is understood as inherently political then it follows that policy making is imbued with power relations and power struggles. But what do we mean by 'power'? Essentially, power concerns the ability of individuals and groups to further their own interests via their capacity to exert control and influence. In his seminal work *Power: A radical view* (1974) the political theorist Steven Lukes outlines a three-dimensional schema intended to capture differing understandings of power. According to Lukes, in a one-dimensional view it is only possible to identify who has power in cases where there is evidence that a person or group can impose their wishes on others through decision making in formal institutions such as governments. A two-dimensional view adds to this public face the private side of power, noting the power involved in agenda setting as well as decision making, and that it may be exercised informally, as well as formally, and through the covert exclusion of individuals or groups from the sphere of political conflict. Lukes' own 'radical', or three-dimensional, view of power is far less measurable than the other dimensions as it is expressed through values and ideologies that are influential in shaping people's thoughts, desires and preferences such that they may be unaware that their interests are at risk. As will be clear throughout this book, a multidimensional understanding of power is essential to understanding the policy process as it will assist in your understanding of how issues have been defined and by whom; which groups, individuals and interests have been included or excluded from the policy process and by whom; and will lead you to think about both the overt and covert exercise of power so that you will no longer take at face value the reporting of political decisions that you might read on the front page of the newspaper.

#### ■ *What public?*

Wayne Parsons (1995) has considered the changing use of the term 'public', and suggests a range of terms in common use, including:

- public interest
- public opinion
- public goods
- public law
- public sector
- public health

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- public transport
- public education
- public service broadcasting
- public accountability
- public toilets
- public order
- public debt (1995: 2–3).

All of these terms – even public toilets! – are relevant to the discussion of public policy in that they describe either an aspect of the policy process, a policy institution or a specific area of public policy. The notion of ‘the public’ in the term ‘public policy’ itself, however, derives from the fact that policy decisions are made by a public body, namely by governments and the many constitutive institutions that we know as **the state**, whose actions have the force of law. The institutions of the state include **parliaments**, government departments and agencies, and courts of law that enforce, interpret and develop the law. Public policy is thus an exercise of sovereign, governmental power, which can call on public resources and legal coercion in ways that private corporations cannot. In other words, public policy is concerned with the power of the state and the exercise of that power in people’s lives. This proposition gives rise to one of the central concerns of this book, the question: *What is the role of the state in people’s lives?*

### THE AGENCY–STRUCTURE DEBATE

In thinking about the role of the state in people’s lives policy workers should be alert to debates about the relative influence of **agency** (individual autonomy and the capacity to act independently) and **structure** (social norms, institutions and distinctions such as those based on age, sex, ethnicity or sexuality) in determining human behaviour. In the context of learning about the policy process these debates are central to our understanding of *causality*; that is, whether policy decisions are the result of the unconstrained exercise of individual or collective agency by political actors, or whether such decisions are the product of a structure or set of structures over which agents have little control (see Hay 1995 for more).

The distinction or division between the public and the private is not impermeable and is far from fixed. Indeed, as Mark Considine has noted, the public and private spheres are ‘entwined at every level’, a situation that is ‘always and everywhere the case’ (1994: 4). Recent years have seen a preoccupation with the efficiency of the market that has led to previous areas of government activity being shifted to the private sector through privatisation and contracting out regimes, leading to the ‘hollowing out of the state’ thesis, discussed further in Chapter 2. Conversely, other issues – such as domestic violence and sexual assault, for example – have been



dragged into the public realm by activists determined to end the view that such matters were private concerns. The role of the state, then, is not fixed or given, but is open to debate and challenge and is influenced by political ideology. It follows that what constitutes public policy is also in a constant state of flux and change, lending a dynamism to the field and an edge to the political contest that underpins or shadows policy making.

## ■ Types of public policy

The types of policies that are made in the public realm, and that therefore are the concern of this book, can be classified in several different ways.

First, public policy can be seen as either ‘substantive’ or ‘procedural’. These terms are virtually self-explanatory. Substantive policies deal with substantive problems or issues such as decisions about infrastructure, the environment, defence, and social security. Procedural policies, by contrast, concern the process by which something is to be done or who is going to take action, such as the rules that govern the way a government department can carry out its duties, the areas over which it has jurisdiction or authority and the processes or strategies it can use to carry out its work.

Drawing on Lowi (1964, 1972), policy can also be classified as ‘distributive’, ‘redistributive’ or ‘regulatory’. This method of classification considers the effect that policies have on society. Distributive policies concern the allocation of services or benefits to members of the community, either as individuals or groups, or to the whole of society, for example through the building of roads. Redistributive policies, such as the tax-transfer system (better known as social security or welfare), involve the deliberate reallocation of wealth from higher to lower income individuals (see Sefton 2006). Regulatory policies concern the regulation of individual or group behaviour, whether through rules concerning the ways that business is allowed to operate, or in areas such as environmental protection or criminal law. Policies can also be considered ‘self-regulatory’, in that they tend to be controlled by the regulated groups, such as professional codes of conduct for lawyers or doctors (Anderson 2003: 7–11).

A further typology sees policies classified as either ‘material’ or ‘symbolic’, depending on whether they allocate tangible, concrete resources and substantive power or appeal more to social values such as social justice or patriotism. Examples of the former might include the provision of public housing or drought relief for farmers. Examples of the latter might include the proclamation of public holidays such as Anzac Day. Ostensibly material policies may be rendered largely symbolic if they are implemented ineffectively or are not adequately resourced (Anderson 2003: 11–12; Edelman 1964).

The last system of classification that we will consider here is that developed by Fenna, who classifies public policy as concerning:

- *production issues*, focused around the creation of economic wealth and improvement in the standard of living through policies such as increasing a country’s gross domestic product (GDP), reducing unemployment, and controlling inflation. These policies place economic management at the centre of policy work. They are made

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more complex by the fact that, in a capitalist society (rather than a controlled economy), governments can only influence the economy through tax, spending and official interest rates, rather than exercise control over it. As we will discuss in Chapter 3, the capacity of governments to influence or manage the economy is a very imprecise science.

- *distribution issues*, focused on the sharing of wealth and opportunity among all sections of a society. These policies are a response to the fact that, by its very nature, capitalism produces inequalities. Governments are under constant pressure to compensate for these inequalities. Redistributive measures such as welfare payments, subsidised or public housing, access to health care, public education and so on are all policies that constitute what is described as the welfare state. The so-called ‘crisis’ of the welfare state, along with the growing pressure on governments to reduce the amount they spend on redistributive measures, will be discussed further in Chapter 2.
- *consumption issues* in public policy are concerned with the consumption of goods and services as the result of the wealth we produce, and the subsequent impact of that consumption on the environment and on our general quality of life. The growing concern about climate change is creating new pressure for ecologically sustainable development, which in turn has created a requirement for governments to regulate such things as the consumption of natural resources.
- *identity issues* are concerned with how a population defines itself as a nation with a sense of common citizenship even among diverse groups. These issues can be some of the most pressing but potentially divisive concerns that policy makers have to contend with. Australia, with its unresolved and troubled history of race relations (for example the White Australia policy and policies of ‘protection’ and assimilation that were applied to Aboriginal and Torres Strait Islander people), faces considerable challenges in this area, challenges that politicians are often eager to exploit.
- *reflexive policies* are those concerned with the way in which policy itself is actually made, including issues such as media regulation and public consultation (Fenna 2004: 6–9).

## ■ How should we think about policy?

Policy studies and policy analysis are inherently interdisciplinary areas of scholarship and practice. To be an effective policy worker you will need sound knowledge of politics and political practice, social theory, and economics. You should have considered the role of extra-parliamentary bodies – that is non-government organisations, industry lobbies and the like – in the policy process, indeed you may end up working in one. Depending on the particular role you are engaged in, some specialist knowledge of a particular policy area will also be required. You should have thought long and hard about the key question posed above: What is the role of the state in people’s lives? To be an effective policy worker you must also be across most aspects of current affairs in order to