



Policy Simulation Exercise | Bardach's 8-Fold Path

P. A. Sangma Fellowship of Legal & Policy Research

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SAMBO DHI

Overview of the policy simulation exercise

Plan and ground rules for the two-day workshop

What will be covered in 2 days?

- What is public policy?
- What is government and what are its functions?
- When do governments intervene?
- Policy cycle model
- Public policy analysis – Definition & its location within the policy cycle
- Policy simulation exercise

How will the policy analysis be done?

- Divide the cohort into groups
- Walk you all through all the 8-steps from Bardach's Policy Analysis framework
- Group presentations at the end of Day 1 and Day 2

What comes to your mind when you see these images?



ARTICLE

Check for updates

<https://doi.org/10.1038/s41467-021-24433-w>

OPEN

Intergenerational nutrition benefits of India's national school feeding program

Suman Chakrabarti¹, Samuel P. Scott¹, Harold Alderman¹, Purnima Menon¹ & Daniel O. Gilligan¹

Puri first city in India to have safe drinking tap water: Odisha Govt

2 min read • 26 Jul 2021, 04:28 PM IST

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The state government is also working on rolling out safe drinking tap water supplies in 16 more towns including Cuttack, Rourkela and Berhampur, with the move benefitting around a 4 million strong urban population



Commonalities

What are the broad themes that emerge from the images shown earlier

- Multiple stakeholders with varied interests
- Role of government is integral
- Policy successes are possible
- Citizens' voices are incorporated

What is public policy?

Definition of public policy and its components

- Public policy is a set of decisions which (a) sets out directives for immediate or future action or conduct; (b) lays down guidelines for the implementation of action – RVV Ayyar, IAS, Author
- Public policy is anything a government chooses **to do** or **not to do** – Thomas Dye, Florida State

University

- Primary agent of public policy making is **government due to their authoritative decisions** on behalf of citizens (Role of government is critical)
- Fundamental **choice made by the government to do something or do nothing** with respect to a policy problem (+ve decisions and –ve decisions)
- Government decisions and actions can have '**unintended consequences**' not related to policy.
(Alcohol ban can lead to emergence of black marketing)

What is government?

Definition of government and its role in policy making

- An entity that successfully claims the monopoly of the **legitimate** use of **physical force** within a given territory – Weber (1946)
 - Legitimate – People elected the government
 - Physical force – Extract taxes | Can enforce law & order | Create laws
- Other functions of government in a democracy:
 - Developing & implementing policies
 - Provisioning of basic services – Social Contract
 - Ensure fairness in the society
 - Puts a check on regressive societal norms

When do governments intervene?

Definition of government and its role in policy making

- Market failures
 - Externalities
 - Positive externalities: Vaccination, Sanitation
 - Negative externalities: Smoking, Pollution
 - Monopoly: When one firm/entity dominates the market
 - Information asymmetry: When one entity has more knowledge than the other
 - Public goods: Goods that are non-excludable and non-rivalrous (Defence, Light house, Public Health)
 - Free rider problem
 - No incentives for private entities to provide goods and services

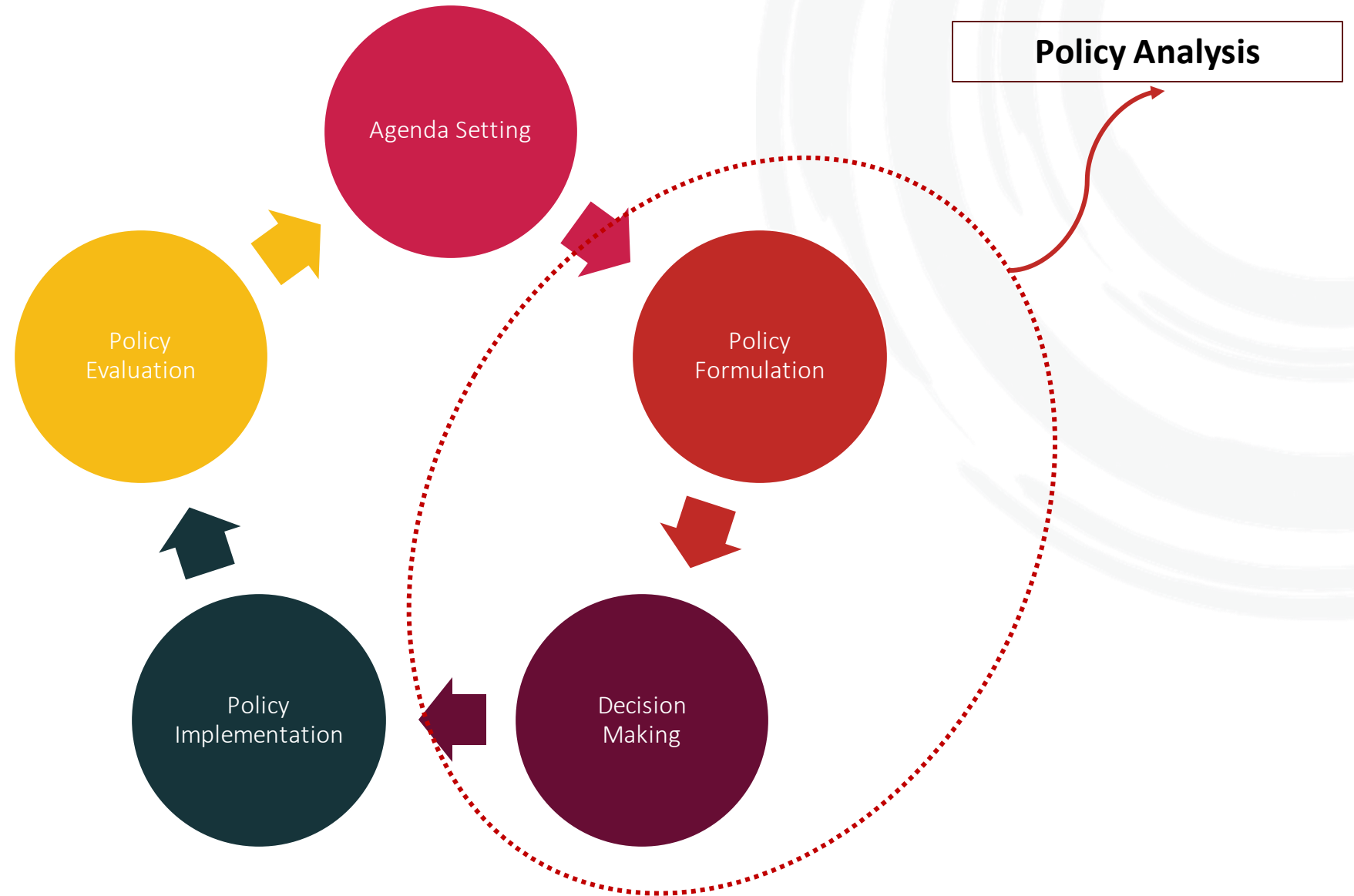
When do governments intervene?

Definition of government and its role in policy making

MARKET FAILURE	GOVERNMENT INTERVENTION
Negative Externalities	Laws, taxes, regulations
Positive Externalities	Finance, subsidies
Monopoly	Price capping, breaking up monopolies
Information Asymmetry	Regulations, taxes
Public Goods	Public provisioning

How are policies made?

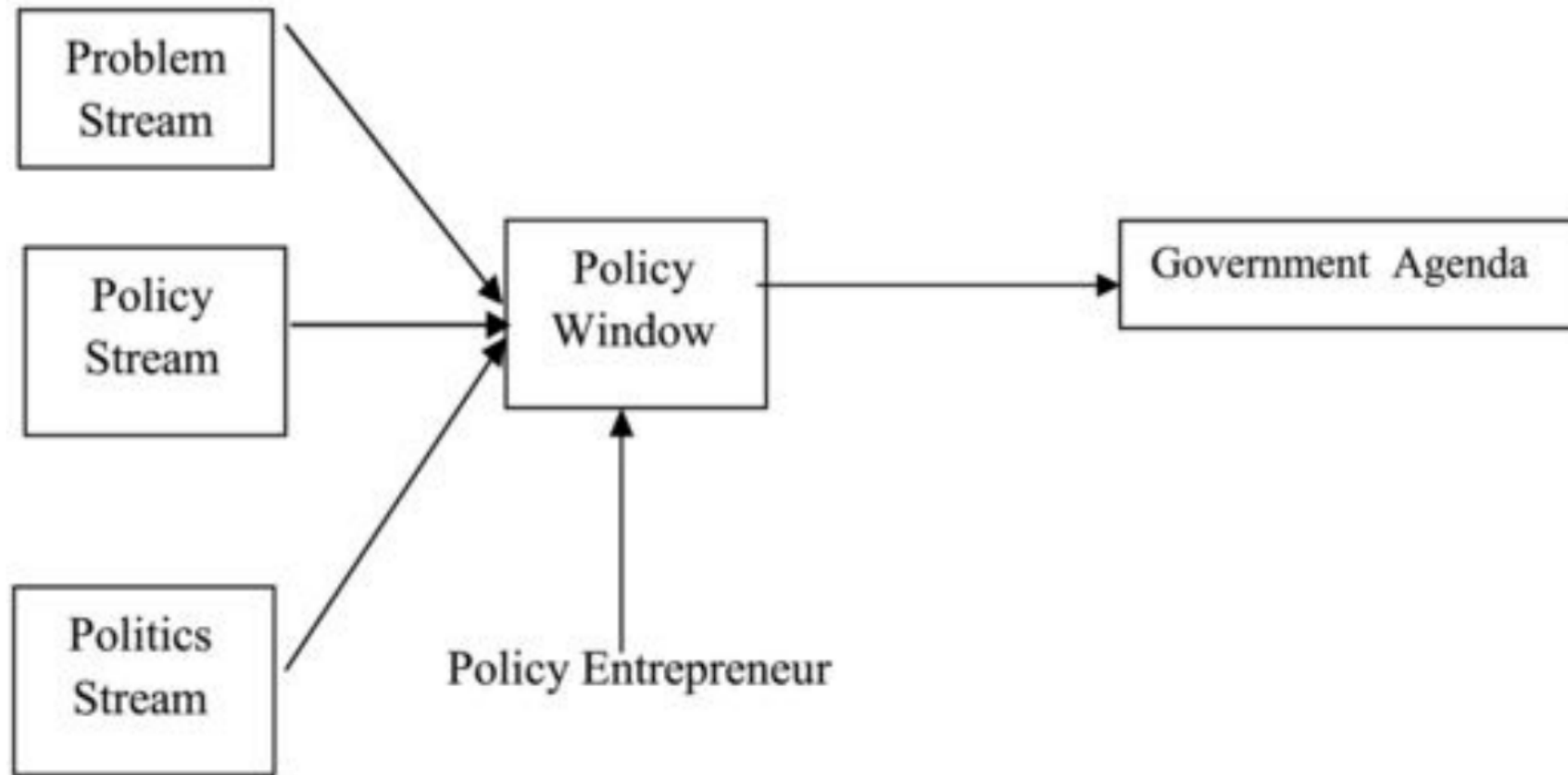
Understanding the policy cycle model



Agenda Setting

Process by which problems come to the attention of governments

Framework to understand government interventions



What is policy analysis?

Policy analysis plays an important role in identifying solutions to a policy issue

- **Definition:** Policy Analysis is the process of identifying potential policy options that could address the policy problem and then comparing those options to choose the most effective, efficient and feasible one (Centres for Disease Control & Prevention)
- **Importance:** Policy analysis ensures that the analyst has gone through a systematic process to choose the policy option that may be the best solution to a given policy problem.
- Policy analysis goes beyond personal decision making
 - Subject matter **concerns the lives & well-being** of large number of citizens
 - **Involves other professionals & interested parties**; often done in teams
 - Consumer is a '**client**':
 - Hierarchical superior in department
 - Diverse groups of stakeholders

Bardach's 8-Fold Path of Policy Analysis

An overview of the 8FP policy analysis framework

- 8-fold path:
 - Define the problem
 - Assemble more evidence
 - Construct alternatives
 - Select the criteria
 - Project the outcomes
 - Confront the trade-offs
 - Decide!
 - Tell your story

Bardach's 8-Fold Path of Policy Analysis

An overview of the 8FP policy analysis framework

- Problem solving process including identifying policy options & zero in on one alternative which will solve the problem
- Policy analysis, using 8FP, is more '**art**' than '**science**'
 - Analytical + Subjective
- Iterative process: Repeat and revisit steps
 - Problem definition, alternatives, criteria may keep on changing
 - With each iteration you will find yourself on the right track
- Final product
 - You will be able to describe the problem that needs to be mitigated
 - Layout a few alternative course of actions
 - Attach a set of projected outcomes to each course of action
 - Use evaluative criteria to do trade-offs among the policy choices
 - Recommend which alternative is best placed to solve the problem

Step 1: Define the problem

- Gives the reason for doing the policy analysis
- Provides a sense of direction to the evidence gathering
- Defining the problem will help structure how you tell the story
- Definition should be evaluative:
 - Why is it a problem? Why does it warrant a policy intervention?
 - Everyone uses different evaluative framework to look at the problem
 - View the situation through:
 - Market failure lens
 - Government failure lens
- Think of deficit & excess
 - Quantify : Attach magnitude wherever possible
 - Gather more information to help you calibrate relevant magnitudes
 - In many cases you will have to do guestimate using the data (Example : Ranges)

Step 1: Define the problem

- Be as precise as possible
- Narrow down the scope of research- by geography, different aspects of the problem, time scale etc.
- Think in terms of degrees and not absolutes (Example: The number of students who severely malnourished increased from 8% to 15%)
- Remember – Your policy solutions & direction of research will depend on the problem definition
- An ideal problem definition should be captured in one or two statements

Tips for effectively articulating problem definition

- **Defining the solution into the problem**
 - Problem definition should not include an implicit solution
 - Projected solutions must be evaluated empirically
 - Keep the problem definition stripped down to a mere description
 - Don't say: "There is too little shelter for the homeless families"
 - Implying that more shelters is the solution to prevent homelessness.
 - Instead, say : "Too many families are homeless"
- **Accepting too easily the causal claims implicit in the problem definition**
 - Empirically evaluate the causal claims between the problem and its bad effects
 - Thorough research
- **Rigid problem definition**
 - Sharpen the problem definition after Step 2
 - Will undergo several iterations

Step 2: Assemble some evidence

- Most of the time will go in:
 - Thinking
 - Hustling data that can be turned into evidence
 - Time consuming activity
- Evidence must support your problem definition and must help produce realistic possible policy outcomes
- Motivation should be to prove that your problem definition is actually a problem
- You will repeat this step in almost all subsequent steps of policy analysis but with a different focus
- Economize on your data collection activities
 - Try and collect only those data that can be converted into evidence for your problem definition
- Evidence essentially solves 3 principal purposes:
 - Assess the nature & extent of the problem
 - Assess & identify possible policy alternatives/solutions
 - Identify policies that have been thought by others solving similar problem

Tips for effectively assembling evidence

- **Think before you collect**
 - Be an efficient collector of data
 - Keep thinking about what you do & don't need
 - Avoid spending too much time collecting data that have little or no potential to be developed into evidence
- **Value of any piece of evidence depends on these factors:**
 - The likelihood that it will help you substitute a better decision for the one you would have made without it
 - The likelihood that the substituted decision will produce a better policy outcome
 - The magnitude of the difference in value between the improved outcome & original outcome
- **Review the literature**
 - Hardly exists a problem on whose causes & solutions is not being researched somewhere
 - Journals, administrative data, public data, case studies
 - Survey 'best practices'
 - Study analogies and try and see how it fits into your problem definition & solutions



Step 3: Constructing the alternatives

- Alternatives mean:
 - Policy options
 - Alternate courses of action
 - Alternative strategies of intervention to solve the problem
- Initially construct alternatives that are mutually exclusive
 - Each of them must have the ability to solve a majority of problem
 - One or more policy action, in conjunction with other alternatives, might solve/mitigate the problem at later stages
- Begin with a comprehensive list of policy alternatives. Fine tune them in the later stages of analysis
 - Discard some alternatives
 - Combine some alternatives
 - Re-organize some

Tips for effectively constructing alternatives

- **Ideas for initial list of alternatives**
 - Pet ideas that are already trying to solve the problem
 - Look out for analogies- Alternatives that are trying to solve similar problems
 - Try to invent alternatives that might prove to be superior to the current alternatives
 - Keep budgets and targets in mind
- Refer to '**Things Governments Do**' sheet for ideas
 - For each entry on the list, ask yourself:
 - *"Might it make sense to try some version of this generic strategy to help mitigate this problem?"*
- Your first alternative must be 'status quo'
- Final list of alternatives will look different from the first set of alternatives
- Use simple sentences to conceptualize alternatives

Step 4: Select the criteria

- With this step you enter the evaluative phase of policy analysis
 - You must take value judgements
 - Think whether alternatives X,Y or Z is good or bad
- You select criteria to judge the goodness of the projected policy outcomes associated with alternatives
- The evaluative criteria are not used to judge alternatives, they are applied to the projected outcomes
 - Example:
Alternative A looks to be the best, therefore let's proceed with it 
Alternative A will very probably lead to Outcome A, which we judge to be the best of the possible outcomes, therefore let's proceed with it 

Step 4: Select the criteria

- Commonly used evaluation criteria
 - **Efficiency:** Maximizing the net benefits. This is where cost-benefit analysis is done
 - **Equality, equity, fairness:** Are benefits distributed equally among all sections of society?
 - **Timeliness:** Are outcomes intended to be met within given timelines without long delays?
 - **Process values:** Are alternatives consulted widely with different stakeholders
 - **Legality:** Policy must not violate constitutional, statutory or common law
 - **Political acceptability:** Policy should not have too much of political opposition or should not have insufficient broad-based support
 - **Administrative robustness:** Adequate state capacity, budgetary and administrative costs to implement the policy
- Sometimes the criteria can contradict each other. Thus, it is necessary to give different weightage to the criteria. Start by declaring one as the top priority
- Also, a good practice to define the criteria in your context

Example: Select the criteria

- Criterion 1: Efficiency – The number of jobs created per million rupees spent by the government
- Criterion 2: Equity – Relative changes in income across all sections of the targeted beneficiaries
- Criterion 3: Timeliness – Time taken to bring down unemployment level from 12% to 5%
- Criterion 4: Administrative capacity – Lowest transaction cost and least amount of leakages

Step 5: Project the outcomes

- Hardest step of the 8FP
- For each of the alternatives, project all outcomes (or impacts)
- 3 practical difficulties need to be confronted:
 - Policy is about the future. Hence, subjective evaluation of outcome projections using research
 - Realistic projections vs optimistic projections: Be realistic. Do not glorify your preferred alternative
 - Think not only about the general direction but also think about the magnitude. Quantify the outcomes
- Put yourself in the place of relevant stakeholders & ask how you would react to the proposed alternative
- Look out for 'unintended consequences':
 - Common undesirable but foreseeable side effects of policy solution
 - Increase in moral hazard: Policy has the effect of someone taking risk because the costs have been covered Example:
Raising the employment benefits may lead to declining incentives to search for a job
 - Increase in costs due to over-regulation

Step 5: Project the outcomes

- **Construct an Outcomes Matrix**

Criteria	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Cost (in crores)	10,000	13,000	11,000	40,000	30,000
# of jobs created	10,00,000	80,000	20,000	70,000	15,000
Time taken (yrs)	2	3	4	4	5
Possible leakages (in %)	4.5%	3%	3%	5%	1%
Increase in taxation (in %)	2.5%	3%	2%	1.5%	3.2%
Total score					

- Projected outcomes must be technically feasible & meaningful
- Enter number or verbal descriptor
- If you cannot fill in the cell with a quantitatively expressed descriptor, you can fill + or -

Step 6: Confront the trade-offs

- One of the policy alternatives may produce better outcomes than any of the other alternatives with regard to every single evaluation criterion – Dominant alternative. No trade-off required
- If no dominant alternative, then do trade off:
 - Common trade-offs is between money or goods or services
- The trade-off is done across the projected outcomes and not across the alternatives
 - Not enough to say that Alt 1 is better than Alt 2. Analyst must focus on the outcomes

Criteria	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Cost (in crores)	4	3	4	5	4
# of jobs created	3	3	4	5	4
Time taken (yrs)	5	3	3	5	2
Possible leakages (in %)	3	3	4	4	2
Increase in taxation (in %)	5	3	3	5	1
Total score				24/25	

Step 7: Decide

- If you have done all the other steps correctly, this should be the shortest step in 8FP
- You need to decide what to do based on your own analysis
- If you find this decision difficult then chances are you have not done the trade-offs sufficiently
- If your favourite policy alternative is such a great idea, how come it's not happening?
 - You would then come up other difficulties that possibly exist in the way of the successful implementation of your policy
 - Most common sources of failure could be bureaucratic & stakeholders' resistance

Step 8: Tell your story

- Use the Reverse Bollywood Format to present your policy recommendations:
 - State the problem definition and the solution right upfront
 - The solution statement should have the following aspects: In order to tackle "policy problem", we have to do "preferred solution", which will achieve X in Y time and will cost Z
- Your final output will not contain all the steps that you did in the 8-steps
- Organizing frameowrk:
 - Problem definition & solution
 - Treat each alternative as different sections
 - Project outcomes for each alternative
 - Summarize the trade-offs



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