



COURSE MANUAL

E7: Policy Analysis and Implementation

Module 5 - Policy Analysis: Theories 2

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Module 5

Introduction

Continuing where you left off in Module Four, in this module you will be introduced to further approaches to policy analysis. This includes the discussion about the frameworks, theories, and models commenced in Block Four. At the end of Module Five you will compare the approaches of all the theories presented from both modules.

The first three sections of Module Five provide summaries about the following policy-making models:

- the punctuated equilibrium theory
- the advocacy coalition framework (ACF)
- the innovation and diffusion models.

The third section will provide a comparison of the policy analysis approaches covered in Modules Four and Five based on their utility in terms of the following:

- Frameworks
- Theories and models.

By the end of this module you should be able to:

- *explain* why theories in policy analysis are necessary.
- *identify* the three types of policy analysis models presented.
- *compare* the approaches of the models presented.
- *analyse* authentic case studies in light of the information presented in this module.



Outcomes

The punctuated equilibrium theory

The punctuated equilibrium theory attempts to explain the reality that policies are rarely changed radically. Instead, the theory argues, policies tend to change incrementally through successive selection of alternatives that make marginal improvements to the status quo. Incremental changes ensure stability and are often more acceptable to those affected. Occasionally, though, policies are produced that are radically different from those in the past. As such, it is clear that both stability and drastic change are important elements of the policy process.



Punctuated equilibrium (PE) framework overview

While most policy models are concerned with explaining or understanding either stability or radical change within the policy process, the *punctuated equilibrium (PE)* theory tries to encompass both these realities of the policy process into one theory.

The PE theory of the process has a double foundation of political institutions and bounded rationality decision-making. The theory focuses on two related issues in the policy process: issue definition and agenda-setting. Existing policies can be reinforced or re-examined by the filtration of issues through public discourse that are then placed on the public policy agenda. Through ongoing discourse and analysis, policy agenda items are prioritised. As such, issues on the public agenda are subject to changing priorities, which can cause issues to be added to, reordered on, or dropped from the agenda. If public discourse reinforces existing policy, only modest, incremental changes to the policy are made. However, if public discourse questions the fundamentals of existing policies, there is an opportunity for dramatic departures from past policy to occur.

PE theory extends existing agenda-setting theories to incorporate *policy stasis* (characterised by stability and modest, incremental changes to policy) and *policy punctuations* (characterised by radical departures from policy). While agenda-setting and policy-making processes usually work quite smoothly, both are less useful when significant changes are required to historically developed policies. In both approaches, the same institutional systems of government organisations and rules are seen to produce small adjustments or *accommodations* to the policy process, as well as large departures from the past.

PE explains both marginal and radical policy changes by the interaction of subsystem (institutional) politics and behavioural decision-making, which creates patterns of stability or punctuated equilibria.

Agenda-setting

E. E. Schattschneider (1960) put forward theories of conflict expansion and agenda-setting. He purports that disfavoured groups and new ideas face considerable difficulty breaking through the barriers of established systems of policy-making. He argues that the conservative nature of political systems usually favours the status quo and radical change can only occur when triggered by some extraordinary event or knowledge.

Baumgartner and Jones's (1993) research examining policy-making cases over extended periods and across a variety of policy issues indicate that policy-making occurs in leaps as well as near stasis, as issues are added to or dropped from the public agenda. They suggest that political institutions and the methods by which the policy agenda is set exacerbate the tendency toward punctuated equilibria. Finally, they argue that the image of a given policy issue is crucial in expanding it beyond the control of the special interests, specialists and experts that often hold monopoly power over the issue in public or official discourse.

Baumgartner and Jones describe the highly complex nature of political systems. They argue that such systems (for example, the United States system) are characterised by: 1) open access to public and private mobilisation, and 2) separated institutions that operate in overlapping jurisdictions. The resulting conflicting complexity creates political dynamics among political subsystems that work against opportunities for radical change to occur and instead work to reinforce the status quo.

In this system, newly mobilised interests are usually the proponents for change to the status quo and, when successful, these groups overwhelm the previous controlling powers to effect change. In this manner, institutional separation forces the issue through a cumbersome, conservative process, but the separation also allows for recouping from a failure in one policy subsystem to the opportunity for success in another. Essentially, the United States model forces mobilisation as the main option for overcoming established interests that are protected and supported by the conservatively designed political system. However, the United States system also provides multiple avenues through which mobilised groups can attempt to influence the policy agenda.

Institutional structures

Punctuated equilibria in politics stems from the reality of political life (that is, politicians cannot simultaneously deal with all the important issues that governments should). Institutional structures are an important aspect of punctuated equilibria and agenda-setting. As a political system cannot have continuous discussion about all items that confront it, political issues are often organised and separated into a number of issue-oriented policy subsystems or policy communities. These subsystems may have dominating or multiple competing interests that can be dynamic over time. The people in the policy subsystems are often considered specialists within their area and often most issues are treated within the group.

When a policy subsystem is dominated by a single interest, there is a policy monopoly. The subsystem has an institutional structure that can be easily defined and is responsible for policy-making in that particular area. Its responsibility for policy-making is also supported by some powerful image or idea that is generally connected to some core political values. This image or idea can be easily communicated to the public. Since policy monopolies reduce the chances for change, the system is said to be one of a *negative feedback process*.

If citizens are excluded from a policy issue and become apathetic, policy monopolies or their institutional arrangements remain intact for extended periods. However, if pressure is sufficient, massive intervention by new actors – either political or government bureaucratic – will occur. Usually, such a massive change requires a supporting policy image.

As issues are redefined and new aspects of the debate or new information is presented, new experts are also developed. These new experts may insist on changing rules and the balance of power. This is reinforced by



changes to institutional arrangements, whereby previously dominant groups with different perspectives are forced to share power.

Punctuated equilibria theory suggests two types of periods exist. The first is one of equilibrium or near stasis when an issue has been included in some policy subsystem. The second is one of disequilibrium, which occurs when an issue is forced onto the macro-political agenda because it is not adequately dealt with in a subsystem.

Small changes in objectives on the macro-political agenda can have large impacts on a policy subsystem. When the policy subsystem is subject to change, the system is said to be one of *positive feedback process*. PE theory argues that policy images play a central role in determining the equilibrium and disequilibrium in the policy subsystem.

The role of images

According to the PE theory, the interaction of changing images and venues of public policy determines the impact the issue can have on the policy-making process. *Policy images* combine empirical information with emotional pleas. If a single image is widely accepted, there is a successful policy monopoly. If there is disagreement on an issue, proponents favouring one view may focus on one image, while proponents favouring another view may focus on others. Thus, for the same issue, multiple images may be presented.

New images may attract new actors and participants, as well as increase public interest in the issue. In addition, multiple venues for bringing the issue to the policy agenda (for example, political representatives, government bureaucracy, legislature, judiciary, special interests groups, media and so on) provide multiple opportunities for a given policy case to be advanced. So, while separation and multiplicity of institutions and jurisdictions are inherently conservative and provide negative feedback, they also provide multiple venues for policy change to be triggered.

Centrality of decision-making

The PE theory is based on an implied understanding of individual and collective decision-making. Large changes in attentiveness or attitudes towards a particular policy affect changes in the decision-making process. These changes in the decision-making process are the “punctuations” in the policy.

Baumgartner and Jones (1993) explain that the “bursts” of change in policy punctuation arise from the interaction of images and institutions, and these policy images play a central role in government agenda-setting. Jones (1994) explains this by arguing that individual and collective decision changes occur not out of indecision, confusion or irrationality, but rather because of shifts in attention. He argues that while individually we process information in a parallel way, we usually only focus on things serially, or we focus only on a few aspects of a situation at a time. When collectively assembled, these shifts in attention can result in disjointed changes in policy preferences, which cause punctuations in the policy.

Strengths and weaknesses of punctuated equilibrium theory

The strength of the punctuated equilibrium lies in its parallels with what occurs in the real world – namely, national policy-making in the United States. The theory is able to combine the two differing periods in policy – that is, policy stasis, where there is stability and only modest incrementalism and the periods of large-scale, radical change in policy. The theory confirms the notion that punctuations are policy departures and not just aberrations to incrementalism models. The theory also incorporates the institutional aspect of the policy-making process.

Shortcomings of the theory include very limited predictive capabilities. Clear causal chains are not possible due to the non-linearity and interdependency of variables. While the theory is able to predict some form of systems-level stability, it is incapable of doing that at the local level and does not assist in the development of predictions of specific policy issues.

The advocacy coalition framework (ACF)

Advocacy coalition framework overview

The advocacy coalition framework (ACF) emerged in the late 1980s out of:

1. a search for an alternative to the stages approach (see Module Four – Policy Analysis Theories 1 for a review of the stages approach)
2. an attempt to include the best characteristics of top-down and bottom-up approaches to policy implementation, and
3. the goal of building upon the understanding of technical information as a source of policy change in our understanding of the policy process (Sabatier & Jenkins-Smith, 1993, p 117). The ACF was developed initially with the United States context in mind but has since spread to use in other OECD countries.

Premises of ACF

The initial version of the ACF developed by Paul Sabatier and Hank Jenkins-Smith was based on five basic principles. The first is that theories regarding the policy process should include the role of technical information, including how it impacts on the definition of a problem, its sources and the likely impacts of policy options. Technical information is seen to play an important role in administrative agency decision-making. Jenkins-Smith points to the growing market for technical information as shown through an increase in supply and demand for policy analysis both inside and outside government.

The second premise of the ACF is that in order to understand the policy process, a time horizon of at least a decade, if not more, is necessary.



Weiss (1997) also argues that the long-term approach is necessary. A focus on short-term decision-making underestimates the effects of policy analysis because the research and analyses that have been developed are used to influence policy actors over time. Bernstein and other policy scientists also advocate a study of time frames of at least 10 years, so that at least one cycle of the policy process (from formulation to evaluation and review) can be completed.

The third basic principle of the ACF is that in understanding the policy change process in industrialised societies, the most useful unit of analysis is the policy subsystem or policy domain and not any particular government organisation or programme. A policy subsystem is made up of actors from public and private organisations who have an interest in a particular policy issue and who seek to influence public policy in that arena. Subsystems in almost any policy domain are complex and, as such, actors within the subsystems must become specialists. The selection of the subsystem as a unit of analysis is also supported by bottom-up implementation studies that indicate there is usually no one dominant programme at the local or operational level and often local actors must implement programmes initiated by various levels of government. Local governments in turn use these programmes to achieve their own goals.

The fourth premise of the initial conception of the ACF is the expansion of the traditional concept of subsystems called *iron triangles*, consisting of:

1. administrative agencies
2. legislative committees, and
3. interest groups at a single level of government.

The ACF argues that subsystems should be expanded to include:

4. researchers, policy analysts and journalists, who are important players in collecting, discussing and evaluating, and disseminating policy information, and
5. the various actors of all levels of government who are involved in the policy development process. For example, in many countries, innovations to policy are first implemented at sub-national levels, which, if successful and applicable, are then expanded nationally with the input of the experienced sub-national officials. International agreements, such as the European Union, also have added another dimension that should be included in subsystems analysis where relevant.

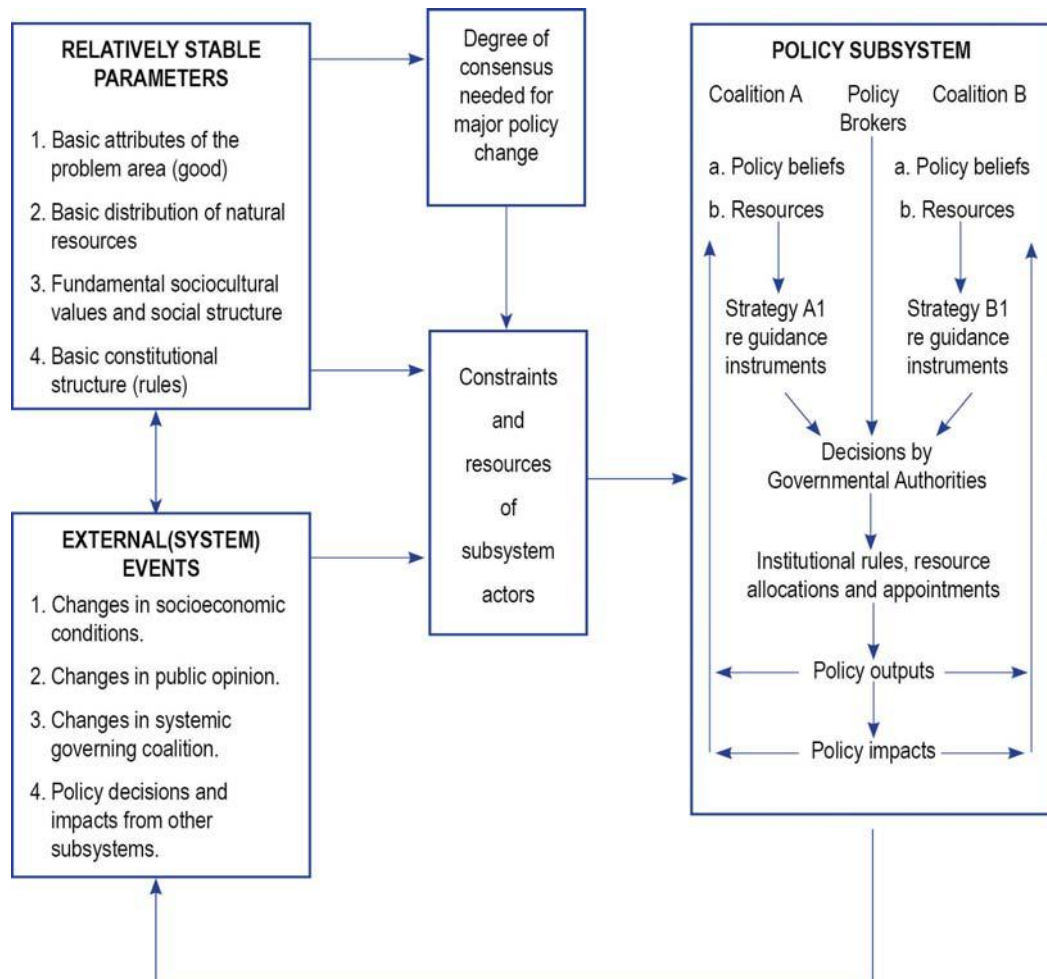
Finally, the fifth premise is that since policies and programmes implicitly include theories about how they will achieve their objectives, they can be thought of as *belief systems*. These systems include assumptions and perceptions about causal relationships and states of the world and the viability of different policy instruments.

Overview of the ACF structure

Sabatier developed a graphical representation of the ACF that is useful in understanding the structure and interactions between actors and information.

Figure 1 separates the two different sets of external variables – those that are relatively stable and those that are dynamic – from the policy subsystem, which is comprised of actors and processes. Stable and dynamic variables are filtered through the degree of consensus needed to affect major policy change – dictated by the relevant administrative system – and then the constraints of subsystem actors, which then impact the policy subsystem. The policy subsystem feeds dynamic external variables that both impact and are impacted by the stable external factors and the cycle continues.

Figure 1: Diagram of the Advocacy Coalition Framework



Source: (Sabatier, 1998, p. 132).



Stable variables

The stable variables include:

1. constitutional structure,
2. the basic resources of the political system,
3. sociocultural values, and
4. the basic attributes of the problem area.

These variables are very difficult to change and any change that does occur does so over a long time. However, these factors do affect behaviours. Moe (1990) argues that the goal of coalitions depends upon the system of law used in a given country (determined by the constitutional structure and political structure). He suggests that in places with separation-of-powers systems, coalitions focus on changing laws, as once laws are created they are difficult to overturn. Conversely, in places where United Kingdom-style systems are in place, coalitions focus on a variety of informal, long-lasting arrangements other than the law, because under such administrative systems laws can be overturned by the parliament at any time.

Dynamic variables

This second set of variables external to policy subsystems are termed dynamic because they are likely to change over the course of a decade or the course of the policy cycle. The dynamic external variables included in the ACF model are:

1. changes in socioeconomic conditions such as the rise of social movements,
2. changes in public opinion,
3. changes in the governing coalition, and
4. policy decisions and impacts from other subsystems, such as tax law, which impact almost all other policy subsystems.

Policy subsystems

Within the ACF policy subsystems, actors can be aggregated into a number (usually between one and four) of *advocacy coalitions*. Each advocacy coalition can be composed of a variety of private and governmental actors. These groups

1. share a set of normative values (that is, how things *ought* to be or the desired state of affairs), and
2. engage in some level of co-ordinated activity over time.

Coalitions will often include representatives from

1. administrative agencies,
2. members of the legislature, and
3. interest groups, researchers, policy analysts and journalists.

While individuals and other organisations may also exist within a subsystem at any given time, the ACF excludes them as major actors of influence as it assumes that over the long term these players will either leave the subsystem or get incorporated into one of the coalitions.

Belief systems

Each coalition has its own belief system. These beliefs are organised hierarchically in a tripartite structure. First, the highest/broadest level is referred to as *deep core beliefs*. This level includes the basic view of the world and normative beliefs that operate across all policy subsystems. Left and right leanings of political behaviour are also reflected in this level.

The second level is that of *policy core beliefs*. These beliefs indicate the fundamental normative commitments of a coalition as well as their causal perceptions across a given policy subsystem. Policy core beliefs include relative value priorities and perceptions about the seriousness of a problem and its primary causes. Further, these beliefs include strategies for achieving core values within the given subsystem, such as the extent and type of government intervention sought. Since policy core beliefs represent actual real world commitments, they – and not deep core beliefs – are the fundamental features that hold coalitions together.

Third, *secondary aspects* of a coalition's beliefs focus on the large set of narrow beliefs about the seriousness of problems particular to specific locales. Beliefs about programmes, policy preferences, desired policy interventions and instruments, and evaluation of performance are also reflected at this level of belief system.

Deep core beliefs are rigid, policy core beliefs are less rigid and secondary aspects are much less rigid as they adjust more quickly to new data, experience and changes in strategies. Coalitions adopt one or more strategy using *guidance instruments* such as changes in rules, budgets, personnel, information or organisation, to alter the behaviour of governmental authorities to fulfill their objectives. When there are conflicting strategies sought by the various advocacy coalitions, they may be mediated by *policy brokers*. The principal role of the policy broker is to find acceptable compromises and reduce conflict among coalitions.

The results of strategies and the use of guidance instruments by the coalitions within a subsystem are the essence of creation programmes. These programmes in turn produce policy outputs for the operational level – that is, administrative agencies. Based upon the coalitions' perceptions about the efficacy of the programmes and its impacts, as well as the incorporation of new information into their respective knowledge bases, each coalition may adjust its beliefs and strategies. Minor changes can occur at the operational level, while institutional changes would have to occur at the collective choice level, constitutional level or meta-constitutional levels (see Module 4 – Policy Analysis Theories 1 for a review of the institutional rational choice theory).

A summary of the systems of beliefs is presented in Table 1.

Table 1: Structure of belief systems

	Deep Core	Policy Core	Secondary Aspects
Defining characteristics	Fundamental normative and ontological axioms	Fundamental policy positions concerning the basic strategies for achieving core values within the subsystem	Instrumental decisions and information searches necessary to implement policy core
Scope Susceptibility to change	Across all policy subsystems. Very difficult; akin to a religious conversion.	Subsystem wide. Difficult, but can occur if experience reveals serious anomalies.	Usually only part of subsystem. Moderately easy; this is the topic of most administrative and even legislative policymaking
Illustrative components	<ol style="list-style-type: none"> 1. Human nature: <ol style="list-style-type: none"> a. Inherently evil vs. socially redeemable b. Part of nature vs. dominion over nature c. Narrow egoists vs. contractarians 2. Relative priority of various ultimate values; Freedom, security, power knowledge, health, love, beauty, etc. 3. Basic criteria of distributive justice; Whose welfare counts? Relative weights of self, primary groups, all people, future generations, nonhuman beings, etc. 4. Sociocultural identity (e.g., ethnicity, religion, gender, profession) 	Fundamental normative precepts: <ol style="list-style-type: none"> 1. Orientation on basic value priorities 2. Identification of groups other entities whose welfare is of greatest concern Precepts with a substantial empirical component: <ol style="list-style-type: none"> 3. Overall seriousness of the problem 4. Basic causes of the problem 5. Proper distribution of authority between government and market 6. Proper distribution of authority among levels of government 7. Priority accorded various policy instruments (e.g., regulation, insurance, education, direct payments, tax credits) 8. Ability of society to solve the problem (e.g., zero-sum competition vs. potential for mutual accommodation; technological optimism vs. pessimism) 9. Participation of public vs. experts vs. elected officials 10. Policy core policy preferences 	<ol style="list-style-type: none"> 1. Seriousness of specific aspects of the problem in specific locales 2. Importance of various causal linkages in different locales and over time 3. Most decisions concerning administrative rules, budgetary allocations, disposition of cases, statutory interpretation, and even statutory revision 4. Information regarding performance of specific programmes or institutions.

Source: (Sabatier, 1998, p. 113)

Degree of consensus

The degree of consensus needed to effect major policy change differs depending on the administrative system of the country. This can range from: less than a majority in non-democratic countries as well as in strong states such as France; a bare majority in countries using the Westminster system of administration such as in the United Kingdom; a supermajority such as in a separation-of-powers system like the United States; and finally, a full consensus in countries such as Switzerland and the Netherlands. Although consensus flows from constitutional and cultural norms, it is very significant and therefore should be clearly elucidated in the ACF.

Learning and policy change

As mentioned earlier, one of the reasons behind the development of the ACF was to incorporate the use of technical information as a source of policy change in the policy process. *Policy-oriented learning* refers to the longer-lasting adjustments to thought or behaviour that are precipitated by new knowledge or experience and that are concerned with achieving or revising policy objectives.

Figure 1: Diagram of the advocacy coalition framework incorporates the absorption of new information and experience into the ACF framework that is indicated by feedback loops making the ACF a cycle. The framework explicitly states the importance of information to policy change. This source of input to the policy process is considered *cognitive*, while the other dynamic external variables such as changes in the physical world or socioeconomic conditions are considered *non-cognitive*. The ACF's position is that policy-oriented learning (cognitive activity) can affect secondary aspects of belief systems. It is necessary, but not sufficient, that there be impetus of external dynamic variables (non-cognitive activity) for changes to occur in the set of policy core beliefs (which is the glue that holds a coalition together).

Assessment of the ACF in practice

The ACF has now been in existence for more than 10 years, which is the minimum time frame of analysis advocated by the framework itself. A preliminary assessment (Sabatier & Jenkins-Smith, 1993, p. 154) provides the following results just after the decade mark.

1. Most of the ACF's propositions are clearly articulated and are internally consistent. Most of the terms deemed critical have been defined.
2. There are two causal drivers to the process: core values of coalition members and factors external to the subsystem.
3. Hypotheses are presented by which empirical testing can occur. The ACF hypotheses are amenable to being confirmed, amended or falsified.
4. The ACF appears to have a broad application and applies reasonably to most policy subsystems (or domains) in OECD countries.

The core aspects of the ACF, as summarised by Sabatier and Jenkins-Smith, are:

1. The policy subsystem is the principle aggregate unit of analysis for the policy process.
2. The model of an individual is based on the assumptions of: a: complex goal structures, and b: limited information-processing capabilities subject to perceptual filters.
3. Policy-oriented learning is an important source of policy change.



4. The use of advocacy coalitions (usually one to four for every subsystem domain) is a method of aggregating a large number of actors into manageable units for analysis.
5. Both belief systems and public policies can be mapped using multiple tiers to determine sets of goals, perceptions about problems and their causes, and policy preferences.
6. Coalitions seek to manipulate governmental and other institutions to bring about changes in behaviours and problem conditions to achieve the coalition's belief system.

The innovation and diffusion models

Innovation and diffusion models overview

Advocates of this model argue that it is critical to understand how policy innovation occurs in order to understand policy-making in general since, ultimately, every programme implemented by a government has its basis in some non-incremental innovation. Such innovations produce the initial policy and programmes, which then are incrementally adjusted by governments over time.

One important aspect is to define what innovation means in the context of models used to explain the policy process. Usually, the term innovation refers to something new. The dominant convention in the area of policy research and policy innovation literature is to define *innovation* simply as a programme adopted by a government that is new to that government (Berry & Berry, 1999, p. 169). As such, governments that adopt policy innovations already implemented in other jurisdictions are still considered to be making policy innovations so long as the programme is new for it. Thus, this definition of innovation clearly delineates itself from policy *invention*, which is the process by which *original* policy ideas are developed.

While some studies of government innovation have investigated how countries develop new programmes and how they have been spread across countries, the vast majority of empirical studies have examined policy innovation and policy-making within the American context. As such, while most models can be applied to other nations and levels of governments, some aspects hinge on the federal/state system in the United States studied to date and must be modified before applying it to other types of government.

According to studies done by Walker (1969) regarding state government innovation in the late 1960s in the United States, there are two main types of explanations provided by governments when they adopt a new programme: diffusion models and internal determinants models. It should be noted that few policy adoptions can be explained fully simply by using one model or another. As such, policy analysis should include multiple methods of analysis to yield the best understanding of a given policy situation.

Diffusion models

In contrast to internal determinants models, diffusion models are intrinsically inter-jurisdictional and/or inter-governmental. Diffusion models adopt policies to emulate policies adopted previously by other states. As mentioned earlier, much insight to this approach has been achieved through a study of American states.

A useful definition of *diffusion* has been put forward by Everett Rogers (1985, p. 5). He defines it as “the process by which an innovation is communicated through certain channels over time among the members of a social system”. When applied to the United States’ system of state governance, he suggests that the “social system” is comprised of the 50 states of the nation. The adoption of policy by these states occurs by emulating the behaviour of other states.

Diffusion models hypothesise three main reasons for why states emulate each other. The first is that the borrowing of policy innovations is a result of learning, since states seek to implement policies that are perceived to be successful. The emulation of such innovations also assists in simplifying complex decisions, thus demonstrating how non-incremental policies can be adopted within the framework underlying incrementalism as purported by diffusion theory.

The second reason presented is that states compete with one another within a federal system. As such, states are pressured to conform to regional and national standards, which in effect force some states to adopt the policies of others. Also, states emulate one another’s policy actions to achieve competitive advantage and avoid being comparatively disadvantaged. For example, if welfare benefits are decreased in one state, a neighbouring state may become a welfare magnet, attracting poor people from the first state unless its welfare policies are harmonised with the other. Conversely, a state may adopt policies towards taxes used in other states to keep corporations and jobs at home.

Thirdly, states emulate each other’s policies due to public pressure from their own citizens. News media can play an important role here in the diffusion process by informing the public through identification and discussion of policies in other states.

Types of diffusion models

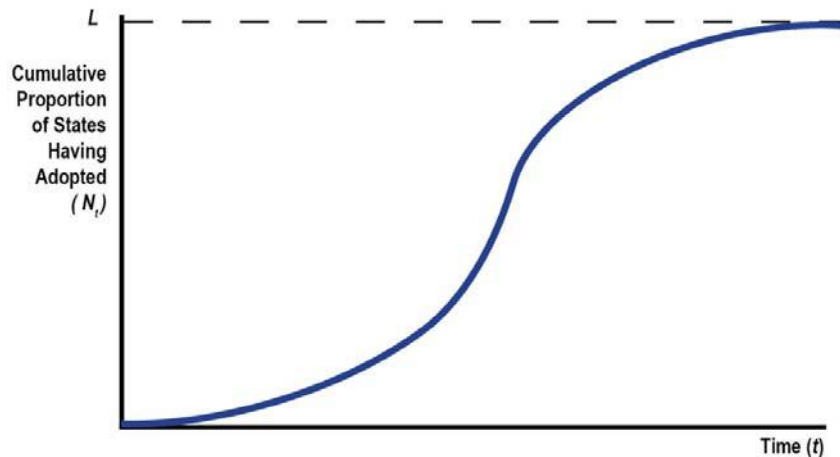
Different diffusion models exist. The main points of difference among the models are the channel of communication used for diffusion and the influence assumed to exist across government jurisdictions. Two main models focusing on different communication channels are the national interaction model and the regional diffusion model. Two additional models focusing on the different channels of influence are the leader-laggard diffusion model and the vertical influence model.

The national interaction model

The *national interaction model* is based on the premise that a national communication network exists, which enables state officials responsible for state public policy programmes to become aware of and learn about the policy actions of their cohorts in other states. One can assume that there is a free flow of information among them regarding policy information and action. In fact, institutional arrangements, such as state and state official associations as well as public sector administrators' associations, do exist to facilitate the transfer of policy knowledge among states.

One particular learning model describes the level of diffusion of an innovation in the context of the national interaction model in the form of mathematical equations. When the first equation is graphically represented against time, an S-shaped curve is produced (see Figure 2). The mathematical equations suggest that early in the diffusion process, the adoption of policy innovations occurs at a low rate. The rate then increases dramatically, finally tapering off as the number of potential adopters in the pool declines.

Figure 2: S-shaped curve of national interaction model



Source: (Sabatier, 1999, p. 174)

The main limitation of the model is its assumption that at any given time all potential adopters may have not yet adopted a given policy action, but they are equally likely to do so. In reality, states are not equally likely to adopt policies of other states due to regional differences. In other words, some states have more in common than others.

The regional diffusion model

The *regional diffusion model* contends that states are primarily influenced by those states nearest in geographical proximity. *Neighbour models* suggest that states are influenced by those states with which they share borders. *Fixed region models* posit that the country is divided into

multiple regions comprised of multiple states that tend to emulate the policies of those within their same region.

Although neighbour and fixed region models both focus on the impact of nearby states, they differ with respect to the channels of influence through which policy actions are transmitted. Neighbour models assume that each state has potentially a unique set of reference states that it uses as cues for its own public policy. Meanwhile, fixed region models assume that all states within a given region share the same channels of influence.

The leader laggard diffusion model

The *leader-laggard diffusion model* assumes that some states are leaders in public policy, while others are followers that emulate the leaders. Usually, leadership is assumed to be regional, whereby states take cues from the regional leader. Leader-laggard models also acknowledge the reality that some states are more highly regarded than others. States will emulate the leader not due to competition or public pressure, but rather as part of the learning process.

The shortcomings of leader-laggard diffusions model are:

1. the inability to identify the pioneer or leader states from among a regional cluster prior to a given policy action being developed, and
2. the ability to predict the order in which follower states are expected to adopt the policy innovation. These limitations make it difficult to test the validity of the model in real world practice.

The vertical influence model

The *vertical influence model* suggests that states emulate policies of the national government, rather than *horizontally* among fellow states, as discussed. This model is conceptually similar to the leader-laggard model with respect to a strong focus on diffusion as part of the learning process. However, the vertical influence model argues other reasons also exist for diffusion. These include the fact that national governments can simply mandate policy activities of the states. Where states retain discretion, the national government may provide incentives – usually financial – for implementing certain policy actions.

Internal determinants (innovation) models

Internal determinants models suggest that political, economic or social characteristics internal to a given jurisdiction are the key factors that drive a jurisdiction to make policy innovations. In the purest form, these models rule out that states are influenced by what is being done in other states or by the national government. However, once a policy is adopted by one state, it is unlikely that another state's adoption of the policy would occur completely independently of the previous state's adoption. Thus, internal determinants models must acknowledge that when policies are adopted, the media and other channels of communication and



institutional arrangements will spread the knowledge about a given policy measure in one state to others.

Dependent variables

One area of focus with respect to internal determinants models is how the dependent variable – that is, the propensity of a state to adopt policy – is defined. Most models in this type assume that the earlier a state adopts a policy innovation, the more innovative it is. Two measures for determining innovativeness using this basis are the interval level by the year of adoption and the ordinal or rank level of the state among states adopting the innovation.

Hypotheses

While the unit of analysis in internal determinant models is the state, the causes of innovativeness are determined to be at the individual level.

Hypotheses from internal determinant models include:

1. People with higher socioeconomic status, such as higher levels of education, wealth and income, have a propensity for greater innovativeness than people with lower socioeconomic status – in other words, wealthier, larger and more economically sound and developed states are more innovative; and
2. The probability of a state to innovate depends on the motivation and the availability of resources to overcome obstacles to innovation. These latter two points will be discussed in more detail.

Motivation to innovate

The first motivation to innovate is based upon the commonly held social science premise that the goal of elected officials is to get re-elected and, as such, a publicly elected official will want to be responsive to public opinions and demands. However, the extent of responsiveness of elected officials depends on the level of security they have in their positions. If they are insecure, they are more likely to adopt policies that are popular with the public. If officials are secure with their standing, they are less likely to adopt policies that are popular for reason of public opinion alone. The level of security will also change along the term of election – that is, the amount of time until the next election. Publicly unpopular policies may be more readily adopted early rather than later in the term to reduce their effects on re-election chances.

Obstacles to innovation

The resource capabilities (such as financial or educational resources) of a potential adopter have an effect on how innovation is diffused. Some government initiatives may call for major expenditures, making financial resources a prerequisite for policy adoption. Other initiatives may require highly skilled or knowledgeable government workers to adopt a policy. These resources for a given state are reflected in economic literature produced by a government, including per capita income and the level of urbanisation in a given jurisdiction.

The innovation and diffusion models in themselves do not yield a satisfactory theory of the overall policy process. In addition, the data required to test the models empirically are substantial, potentially making collection cost prohibitive in some areas. The models suggest that analysing innovativeness on a global level is insufficient and instead greater attention should be paid to explaining how states adopt specific policies or programmes.

A comparison of frameworks, theories and models of policy processes

Frameworks

The criteria for comparing frameworks are not well developed. However, Sabatier presents five suggested criteria that may be useful. He suggests that frameworks can be compared along the following aspects:

1. the type of actors
2. the development of variables
3. the units of analysis
4. the levels of analysis
5. the scope.

This section examines the frameworks covered in Modules Four and Five against these criteria.

Type of actors

Well-developed theories and models derived from frameworks require that assumptions about individual behaviour be made. The institutional choice framework provides the clearest set of general variables that structure the individual. Although the other frameworks discussed do not identify such variables as explicitly as the IAD framework, the ACF comes close. Note that neither the IAD nor the ACF frameworks require specific models about the individual. The variables in the framework are general enough that several different models of the individual can be applied.

Variable development

Frameworks also put forward general classes of variables that structure, guide, influence and constrain actions taken by actors. The IAD framework and then the ACF, provide the most well-developed classes of variables. However, with both frameworks, some classes of variables are more developed than others.

In the IAD framework, the action arenas are well developed. Theories derived from the IAD framework must address participants, their positions, their actions as well as the information they possess, the outcomes achieved and the distribution of costs and benefits of outcomes. However, action situations and features of the policy community are not as well developed. With respect to the ACF framework, the variables that



characterise a stable and mature policy are well developed whereas other aspects are not.

Units of analysis

On the one hand, the IAD framework, unlike the others discussed in Modules Four and Five, maintains its flexibility and generality. It leaves it to the analyst to identify the unit of analysis necessary to examine the question and solutions to a particular issue.

On the other hand, the policy innovations and advocacy coalition frameworks are tied to specific units of analysis. In the policy innovations framework, the unit of analysis is specifically a state of the United States. For the ACF, the unit of analysis is the policy subsystem. Nonetheless, there exists some flexibility to adjust the unit of analysis within the specified terms. For example, the unit of analysis for the policy innovations approach could be cities, communities, counties, organisations and so forth – not just the state level. Similarly, the unit of analysis in the ACF could be a highly specific subsystem or a much broader subsystem. The ACF provides considerable flexibility in how the unit of analysis is applied in particular cases.

Levels of analysis

Levels of analysis provide a greater understanding of the activities that occur in the policy-making process. For example, actors may make choices about their daily activities following rules. At some point, actors may be induced to change the rules and they may move to collective-choice action to do so. Actors may also attempt to change the collective-choice decision-making process and may move to the constitutional-choice levels to do so.

The IAD framework is the only one from among the ones covered that pays explicit attention to levels of analysis. Analysis can be focused on actions at the operational level, collective-choice level or constitutional level.

Other frameworks also implicitly include levels of action. First, in the policy innovation framework, the dependent variable – policy adoption – is a result of the collective choice process. However, classes of independent variables are used to explain operational level activities and outcomes. Second, while the ACF focuses primarily on the collective-choice level, it does not exclude other levels of action. Operational level actions of individual members that feed into collective-choice activity can also be analysed.

Scope

The levels of action proposed by a framework affect the scope of that framework. *Scope* refers to the number and types of policy stages a given framework encompasses. The policy stages approach provides a useful categorisation of behaviours and actions within the entire policy process, but cannot be considered to constitute a framework since it does not provide the basic elements of a framework – that is, general classes of

variables and the relationship among them – for any of the policy stages identified.

The IAD framework encompasses each of the stages. Stages can occur at different levels of action within the IAD framework. The other frameworks do not rival the IAD framework in terms of scope, since the policy innovations framework focuses on only a single stage of the process (for example, policy adoption or policy selection), and the ACF focuses primarily on the initiation, estimation and selection stages that occur mainly at the collective-choice level of action.

Theories and models

Theories extend from frameworks. They put values on the variables identified as critical in a framework, hypothesise the relationships among the variables and make predictions about the outcomes likely to occur. The theories of common-pool resources, punctuated equilibrium, advocacy coalitions and multiple streams will be examined against the various criteria below.

Model of individual

Each of the four theories uses rationality models, which assume that individuals are goal-oriented and act in ways they believe will make them better off. The four theories assume that individuals operate under bounded rationality due to various constraints and factors. Bounded rationality is characterised by uncertainty, complexity and weak selective pressure (Ostrom, 1999).

Variations among the rationality models used by different theories exist. In the common-pool resources theory, complex, unstructured problems affect assumptions in the policy process. Individuals are not maximisers, but instead are satisfiers. The theory argues that norms of behaviour, such as reciprocity, affect the way alternatives are weighed and reduce opportunistic tendencies at the expense of others. Also, the collection of information by individuals is assumed primarily to fulfill the need to better understand the world and reduce mistakes rather than for the purposes of strategic opportunism. Finally, according to this theory, individuals intend to act rationally but are unable to do so due to complex situations that are poorly structured and where there is a lack of information.

The model of the individual in the punctuated equilibrium theory is similar to that in common-pool resources since individuals, because of limited information-processing capabilities, cannot address all the characteristics of a situation. Instead, the theory focuses on those actors that are the most important and implies that decisions can be made on this basis. Also, individuals may appear inconsistent in their preferences, not so much because they learn to process information better or their preferences have changed, but rather because they focus on different characteristics of a situation each time. Information in the punctuated equilibrium theory is used to update an individual's understanding of the



world and to reframe a situation. Frames can be manipulated through the use of information.

The model of the individual in the advocacy coalition's theory is also one of bounded rationality. This theory empirically identifies the internal world of individuals to explain individual actions instead of focusing on the structure of the situation. Belief systems are empirically verified. Belief systems, not characteristics of a situation, determine individual choices and actions. In addition to beliefs, limited information-processing abilities affect how individuals attain and use information. Within the multiple stream theory, bounded rationality and the "garbage can" model of choice explain individual behaviour.

Collective action

Changes in policies occur through collective action. Although each of the theories is based on models of individual behaviour, individuals need to organise themselves in groups to promote policy change.

The multiple streams theory pays the least attention to collective action, instead focusing on critical individuals, such as policy entrepreneurs and the conditions that lead to collective support for policy action.

The punctuated equilibrium theory also focuses on policy entrepreneurs to explain policy changes. As mentioned earlier, changes result from collective action, but the PE theory does not focus on how interests organise themselves. Rather it focuses on the effects of collective action, such as changes in policy images and changes of policy venues.

In the advocacy coalition theory, the existence of coalitions must be empirically verified by a coalition's belief system. While the theory makes claims that coalitions engage in a high level of coordinated behaviour, the theory does not explain how the underlying collective action occurs. Competing reasons, such as the assumption that coalitions seek to maximise utility and efficient use of resources, also explain collective action in the theory. Thus, the role of collective action in the theory needs to be resolved.

The theory of common-pool resources challenges the explanation of collective action provided by the other three theories. The theory postulates that a set of conditions and the relations among those conditions are what support collective action and inhibit free-riding behaviour. In common-pool resources, the focus is on the characteristics of the physical states of the world and the rules that are in use to explain collective action.

Institutions

The multiple streams theory pays the least attention to the role of institutional arrangements in the policy change process. Instead, it focuses on individual behaviour and politics. Sabatier suggests that incorporating institutional arrangements into the politics stream would further Zahariadis's work of extending the theory to increase the ability to generalise across different governing systems. However, the original

multiple streams theory only implicitly accounts for institutional arrangements, but such arrangements are limited to playing only a minor role in the process.

The role of institutional arrangements in the punctuated equilibrium theory plays a much more significant role. First, the structure of the predominant systems sets the context for decision-making. Second, within a governing system there are multiple venues of control and engagement for policy-making. Institutions also play a role in defining the strategies of individuals and groups, just as political actors try to influence decision-makers and decision-making venues. However, institutional arrangements in the theory are conceptualised at a high level. Baumgartner and Jones (1991) suggest that the refinement and development of the institutional aspect of the theory could enhance explanatory value. They suggest that the IAD framework could be used to develop the federal application of the punctuated equilibrium theory.

Institutional arrangements also play a major role in the advocacy coalition theory to explain changes in both belief systems and policy. They appear clearly in the framework in the concept of the policy domain, structure and variables. Institutions also appear in the theory as part of the strategies of coalitions and policy venue selection.

The common-pool resource theory also pays special attention to institutional arrangements. Two critical roles are played by institutions in the theory:

1. institutions provide the structure in which individuals and groups interact, and
2. individuals turn to collective-choice and/or constitutional choice institutions to change operational level outcomes. Institutions are treated on a micro-level in the theory of common-pool resources using rules from the IAD framework. However, neither theory provides any assistance in the identification of guideposts for why we move toward some rules and not others.

Policy changes

The multiple streams, punctuated equilibrium and advocacy coalitions theories all have a major focus on major policy change, while the common pool resources theory regards change as incremental.

Module summary



Summary

Module Five completes the discussion on policy frameworks, theories and models, which was commenced in Module Four.

The first section of Module Five discussed the punctuated equilibrium theory. The overview of the approach briefly examined key aspects of the theory, including: agenda-setting, institutional structures, the role of images, the centrality of decision-making and the strengths and weaknesses of the theory.

Next, the module reviewed the advocacy coalition framework (ACF). After the premises of the ACF were outlined, an overview of the ACF structure was provided. Important aspects of the ACF were discussed including: the role of belief systems, consensus and the role of learning in policy change. Finally, an assessment of the ACF in practice was provided.

The third and last policy analysis approach included the innovation and diffusion models. After a general overview of the two types of models, the section then examined the four main types of diffusion models: the national interaction model, the regional diffusion model, the leader-laggard diffusion model and the vertical influence model.

Finally, internal determinants (or innovation) models were discussed.

The final section of the module sought to provide a comparison of the frameworks, theories and models of the policy processes covered in Modules Four and Five. The section compared frameworks along the following five variables: frameworks, the type of actors, the development of variables, units of analysis, levels of analysis and scope. Theories and models were then examined, through the following filters: the model of individual, collective action, institutions and policy changes.

Self-study questions



Study skills

1. Discuss the five major criteria for comparing frameworks, theories and models of policy processes.
2. What are the key components of the punctuated equilibrium theory?
3. Why is the theory appropriate in a democratic country?
4. What are the four main types of diffusion models?
5. How can the innovation and diffusion models be a useful approach for resolving social and economic policy problems in a democratic country?
6. In what ways have the theories demonstrated that the choices involved in designing a country's political and economic policy-making system are not easy ones, but a complex array of options that combines government and market-oriented arrangements in an infinite variety of ways?

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