# Designing Public Policies

Principles and instruments

**Michael Howlett** 



### Contents

LIST OF FIGURES AND TABLES

REFACE	
ACKNOWLEDGEMENTS	xix
PART I INTRODUCTION: POLICY DESIGN AND THE	
MODERN STATE	1
1 Understanding contemporary policy mixes	3
The contextual orientation of policy design	4
Assessing the effects of internationalization on policy det the globalization hypothesis	sign: 6
Assessing network effects: the 'government to governance' hypothesis	7
Conclusion: moving beyond globalization and networks in the	
study of policy design	11
Readings	11
PART II SYSTEMATICALLY STUDYING POLICY DESIGN	13
2 Key definitions and concepts in the study of	
policy design	15
What is public policy?	15

XΥ

#### CONTENTS

	What is policy design?	19
	What is a policy instrument?	22
	What is an implementation tool?	24
	Conclusion: policy design and policy instrument choice	26
	Readings	27
3	Policy design as policy formulation	29
	Policy formulation as a stage of the policy cycle	29
	Policy analysis and policy formulation	30
	Who are the policy designers?	31
	The role of policy advisors and policy advice systems	32
	The role of policy ideas in policy formulation and policy design	35
	Conclusion: policy design as constrained expert discourse	38
	Readings	39
4	Policy design and implementation tool choices	41
	The origins of policy design as an academic field of study	41
	The development of taxonomies and models in the study of	
	policy design	44
	The construction of empirical inventories	45
	The development of taxonomies	45
	Models of instrument choice	48
	Contemporary conceptions of instrument choice	50
	Improving on Hood's taxonomy of policy instruments: adding	
	in procedural tools	51
	Improving on Doern's model of implementation instrument	
	choice: analyzing policy mixes	53
	Developing a micro-level model of tool calibrations: Linder	
	and Peters' clarification of the attributes of instruments	
	choice	55
	Conclusion: the multilevel and nested nature of policy designs	57
	Readings	57
A 1	OT III THE ELEMENTS OF DOLLAY DESIGN	
Αl	RT III THE ELEMENTS OF POLICY DESIGN	61
5	Organizational implementation tools	63
	Substantive organizational instruments	63

		CONTENTS
	Direct government	64
	Line departments 64	• .
	Central support agencies 67	
	Social and health insurance and pension plans 67	
	Quasi-governmental organizational forms	67
	Public enterprises and other corporate forms 68	
	Organizational hybrids (alternative service delivery)	<i>7</i> 0
	Partnerships and contracting out 71	
	Procedural organizational instruments	72
	Network management tools	73
	Staff or central (executive) agencies 73	
	Tribunals and other quasi-judicial bodies 74	
	Creating or reorganizing government agencies 74	
	Establishing analytical units 75	
	Establishing clientele units 75	
	Establishing government reviews, ad hoc task forces,	
	commissions, inquiries and public hearings 76	
	Legislative and executive oversight agencies 77	
	Conclusion	<i>7</i> 8
	Readings	80
•	Authoritative implementation tools	83
	Substantive authoritative instruments	83
	Direct government regulation	84
	Laws 85	
	Independent regulatory commissions 86	
	Indirect government regulation	89
	Delegated professional regulation 89	
	Voluntary or incentive regulation 90	
	Market creation and maintenance	92
	Procedural authoritative instruments	93
	Policy network activation and mobilization tools	93
	Advisory councils 94	
	Public consultation, stakeholder and consensus	

conferences 96

Conclusion

Readings

97 98

#### CONTENTS

7	Financial implementation tools	101
	Substantive financial instruments	101
	Cash-based financial tools	102
	Grants, subsidies and user fees 102	
	Tax- or royalty-based financial instruments	103
	Tax- and royalty-based expenditures 103	
	Excise taxes 104	
	Cash or tax-equivalent financial tools	104
	Preferential procurement 105	
	Favourable insurance and loan guarantees 105	
	Vouchers for pubic services 106	
	Sales of state assets at below market prices 106	
	Procedural financial instruments	107
	Policy network creation tools	108
	Interest group creation 109	
	Network mobilization tools	110
	Interest group alteration/manipulation/co-optation 110	
	Conclusion	112
	Readings	112
	<b>G</b>	
8	Information-based implementation tools	115
	Substantive informational instruments	116
	Information dissemination tools	116
	Information dissemination tools  Exhortation and moral suasion 117	
	Exhortation and moral suasion 117	
	Exhortation and moral suasion 117 Information campaigns 117	116
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools	116
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118	116
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119	116
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119 Surveys and polling 119	116
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119 Surveys and polling 119 Procedural informational instruments	116
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119 Surveys and polling 119 Procedural informational instruments Information release tools	116
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119 Surveys and polling 119 Procedural informational instruments Information release tools Freedom of information legislation 120	116 118 119 120
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119 Surveys and polling 119 Procedural informational instruments Information release tools Freedom of information legislation 120 Information release prevention tools	116 118 119 120
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119 Surveys and polling 119 Procedural informational instruments Information release tools Freedom of information legislation 120 Information release prevention tools Censorship 121	116 118 119 120
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119 Surveys and polling 119 Procedural informational instruments Information release tools Freedom of information legislation 120 Information release prevention tools Censorship 121 Official secrets acts 121	116 118 119 120
	Exhortation and moral suasion 117 Information campaigns 117 Information and knowledge collection tools Judicial inquiries and executive commissions 118 National statistical agencies 119 Surveys and polling 119 Procedural informational instruments Information release tools Freedom of information legislation 120 Information release prevention tools Censorship 121 Official secrets acts 121 Privacy acts 121	118 118 119 120

	RT IV POLICY DESIGNS AND GOVERNANCE DDES REVISITED	125
9	Understanding contemporary policy designs	127
	Modes of governance and implementation tool propensities	128
	Patterns of contemporary tool use	130
	Patterns of organizational tool use: direct and indirect	
	instrument designs	130
	Patterns of authoritative tool use: indirect regulation and	
	increased public participation	131
	Patterns of financial tool use: from visible to invisible	
	instruments	132
	Patterns of informational tool use: the growth of exhortation	
	and public information campaigns	133
	Overall patterns in contemporary policy designs	134
	Readings	136
10	Conclusion: towards a new generation of policy	
	design studies	139
	Revisiting the contextual orientation in design studies	140
	Lessons for students of policy design	141
	Understanding the design space	141
	Understanding the temporality of design choices	144
	Dealing with complexity: the task of policy design in	
	contemporary government	145
	Readings	146
	NOTES	149
		161
	BIBLIOGRAPHY	229
	INDEX	427

## Figures and tables

	F	igures
2.1	The five stages of the policy cycle and their relationship to	
	applied problem-solving	19
2.2	An example of the range of policy instruments by governance	
	mode and stage of the policy cycle	23
4.1	Analytical steps in social science model-building	44
4.2	Cushman's three types of policy tools	46
	The Doern continuum	49
4.4 4.5	State and societal components of 'governing resource' effectivenes. Final model of implementation tool selection process involved	s 55
	in policy design	56
7.1	Spectrum of interest articulation systems	107
10.1	Policy design spaces and modes of governance	143
		Tables
1.1	Modes of governance (empirical content)	9
1.2	Multiple modes of governance (logic)	10
2.1	Components of public policies involved in policy design	17
3.1	The four communities of policy advisors	34
3.2	Advisory system actors by policy level	34
3.3	Ideational components of policy contents	35
3.4	The relationship between policy ideas and policy design elements	37
3.5	Ideas, actors and instruments: the general model	37
4.1	Lowi's matrix of policy implementation activities	46
4.2	Hood's 1986 taxonomy of substantive policy instruments	47

#### ILLUSTRATIONS

4.3	A resource-based taxonomy of procedural policy instruments	52
4.4	A simplified taxonomy of substantive and procedural	
	implementation tools	53
5.1	Tasks typically undertaken by government agencies	65
5.2	Examples of tasks undertaken by public enterprises	69
5.3	Analytical agency network managerial tasks	$7\epsilon$
6.1	Six types of legal instruments	85
6.2	Requisites for regulatory agency independence	87
6.3	Types of voluntary regulation	91
6.4	Actions undertaken by procedural authoritative instruments	94
6.5	Types of advisory committees	95
6.6	Purposes of advisory boards	95
6.7	US Advisory Committee Act (1972) criteria	96
6.8	Types of public consultation – design criteria	97
7.1	Average percentage of "Seed Money" obtained by groups	
	from each source by group type	109
7.2	Source of funding for women's groups (Canada)	111
	Propensity for tool use by governance mode and resource	
	category	129