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This happens in government from time to time, particularly in fields which are peculiarly the business of government such as health or social security or rail privatization.

Other things being equal, proposals which involve an increase in taxation, the introduction of legislation, or new public expenditure are less likely to be accepted than proposals which are self-financing (or even better, raise money) or which can be implemented within the existing law. The parliamentary timetable has room for only a limited number of major bills in each session, generally fifteen to twenty: competition among departments for one of those slots is intense and begins well over a year before the session begins.⁷

These are all examples of extraneous factors which may influence the effectiveness of policy analysis and the content of policy advice.

4. POOR DECISION MAKING

No amount of good policy process can remedy the wrong political judgement. Those involved in the community charge, referred to above, regarded it as a model of policy analysis. One of the ministers most closely involved, William Waldegrave, said later:

In the way the policy was originated, formulated and carried through it was a model of how ... modern policy should be formulated. There was a project team. There were outsiders. There was published analysis and enormous consultation. There was modelling of outcomes using the latest technologies. What there wasn't (it is now generally alleged) was a correct political judgement by the Cabinet of the day. That was nothing to do with the civil service and the outside experts who had performed exactly what their democratically elected masters had asked of them ... In the end there is no magic wand which can ensure that human decision makers avoid mistakes.⁸

Whether it was in fact a model of policy analysis has been questioned: it has for instance been pointed out that the then Chancellor of the Exchequer, Nigel Lawson, composed a devastating critique of the tax which anticipated virtually all the key weaknesses, including the serious distributional impact the tax was likely to have (Butler, Adonis, and Travers 1994). But the central point, that good decisions require good judgement as well as good policy analysis and advice, is a fair one. Where the exercise of power is too concentrated in a department or in government or in one individual this increases the risk of poor decisions.

⁷ Rose 1986; van Mechelen and Rose 1986. On the timetable imperative in government, see Cabinet Office 2004.

⁸ W. Waldegrave, speech to Social Market Foundation conference on 'Reforming the role of government', 1 Dec. 1993, p. 7.

Ultimately, however good the policy process, the quality of the policy decision boils down to the quality of the judgement of the person or people making it. What constitutes “good judgement” is easier to say with the benefit of hindsight. At the time, when everything is still uncertain, good judgement requires personal qualities which comprise the ability to weigh up competing factors with confidence, the courage to work for the long term while managing the immediate politics, an instinct for which objections or difficulties to take seriously, and an understanding of people and human behaviour. Plus good political nous. Plus the qualities specified in Rudyard Kipling’s “If.” Plus luck.

Those who provide policy advice, whether inside or outside government, need to cultivate these qualities too. The key to conveying policy advice—assuming it is sound—is first, to do so within a relationship of trust; and second, to frame it in terms which are clear and succinct and engage the reader at the right level in the right tone, not labouring things he already knows but focusing on what he wants to know and what he needs to know, even if it is unwelcome, refreshing the issues with a new perspective and crystallizing the key facts and arguments.

5. FROM GENERALISTS TO MANAGERS

Over the last thirty years there has been a movement away from civil servants giving policy advice as generalists towards a more rigorous and professional approach to policy making in which policy advice goes wider than traditional concepts of policy analysis and embraces risk, management, and results.⁹

The importance of taking account of management in policy making had always been recognized: Sir Edward Bridges as Secretary of the Cabinet in 1950 described it as “a cardinal feature of British Administration.” But in practice it was often overlooked amid the other pressures of decision taking.

Historically the word “policy” has had deep cultural significance in the British civil service. For many years the service was divided into three main classes: administrative, executive, and clerical. Everyone wanted to be in the administrative class. This was where the fun was. In the words of a leading reference book of 1957 it “consists largely of university graduates, advises Ministers on policy, deals with any difficulties arising from current policy and forecasts the probable effects of new measures and regulations.”¹⁰ The key word here was policy: the skill of the senior administrator lay in the giving of policy advice to the Minister, including a lucid account of the evidence, options, and arguments and a recommendation about the way forward, although the culture of the service constantly reminded people that the

⁹ On the corresponding phenomenon in the USA, see Rivlin 1971. On the pitfalls of such approaches see Majone and Quade 1980.

¹⁰ *Whitakers Almanack* 1957, 353.

true power lay with Ministers and the democratically elected government, not officials.

Below the administrative class was the executive class, “responsible for the day-to-day conduct of government business within the framework of established policy.”¹¹ Unusually the word “executive” acquired a faintly pejorative flavour in this context: the superior importance of “policy” was a glass ceiling for people who lacked policy experience when they appeared before promotion boards. The role of the professional, scientific, and technical classes, experts such as doctors, lawyers, and engineers, was famously to be “on tap but not on top.” The clerical class was at the bottom of the pile.

The first dent in this cultural attachment to “policy” came with the Report of the Fulton Committee into the Civil Service in 1968 which criticized the “cult of the generalist” (Fulton 1968). Although its proposals never got off the ground at the time, the report laid the seeds of subsequent reforms.

The introduction of financial management under Prime Minister Thatcher, coupled with decentralization of managerial responsibility to “Next Steps agencies,” led to recognition of the importance of management as well as policy skills and the need to design policies which took account of the needs of management. (On the “Next Steps” principles, see Jenkins, Caines, and Jackson 1988.) The Major government introduced the requirement that policies on public services should include standards for performance, with complaints and remedies where standards were not met, through the “Citizen’s Charter” (Major 1999, 251).

These reforms culminated under the Blair government that was returned in 1997 in a drive to concentrate the civil service still more intently on achieving results and improving public services (“delivery”) and on producing better policies rooted in evidence-based analysis, well designed and capable of successful implementation. Numerous publications testify to this drive. *Adding it up*, a report by the Performance and Innovation Unit in January 2000, called for good analysis to be placed at the heart of policy making. *Better Policy-Making*, a report by the Centre for Management and Policy Studies in November 2001, reported examples of the most innovative approaches to policy making in central government. *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, a report by the National Audit Office in November 2001, examined specific examples of cases where policy analysis and advice had resulted in poor design and implementation of policy, and identified nine key characteristics of modern policy making.

These reports had an aspirational flavour, and no doubt benefited from hindsight. But they also reflected the trend away from reliance on generalists. In an address to the civil service on 24 February 2004, the Prime Minister called for:

a more strategic and innovative approach to policy. Strategic policy making is a professional discipline in itself involving serious analysis of the current state of affairs, scanning future trends and seeking out developments elsewhere to generate options; and then thinking

¹¹ Ibid.

through rigorously the steps it would take to get from here to there. I find too often that civil servants have not put forward a proposal either because they thought it would not be acceptable politically or because it simply seemed too radical. . . . don't be afraid to recommend ideal solutions that look impractical; it is my job and the job of ministers to decide whether something can and should be done . . . Large bureaucracies tend to be risk averse. Failures that result from taking risks are too often punished more severely than failures which result from inaction. The Civil Service needs to encourage and reward lateral thinking. (Blair 2004)

Whether it is reasonable to blame civil servants for taking a realistic view of the world in which they work and the likely consequences if things go wrong, including criticism from Parliament and the media, is another matter. Although it may sound like a joke in *Yes Minister* (Lynn and Jay 1984) more than one Minister has found himself saying, when a policy went wrong: "I know I want people to take more risks but I didn't mean *that* sort of risk."

6. DECLINE OF THE GENERALIST: DOES IT MATTER?

It has been argued that the rise of managerial advice and many of the reforms in the 1980s and early 1990s actually stripped away analytic capacity at the centre of government (Dunleavy 1995). Some deplore the exit of the generalist; some applaud it; some dispute whether it has happened. It is very hard to demonstrate, one way or the other.

The numbers prove nothing. There were 2,700 people dealing with policy in the administrative civil service in the mid-1950s. Fifty years later there were 3,800 people in the senior civil service, a narrower, more senior grouping covering both senior policy advisers and senior managers.

To the extent that management reforms required the senior civil service to give greater time and effort to management they implicitly reduced the effort devoted to policy advice within government. The cull of the most senior grades in 1995–7, which led to a reduction of over 20 per cent in the most senior posts, led to a loss of corporate memory, temporarily at least. The list of skills and competences expected of people in senior positions is now more than any single person could hope to acquire in a lifetime, with policy skills only one of many specialisms, and has led to greater emphasis on the importance of teams who between them have all the skills needed to run a big department. Certainly there has been a rebalancing of what is required of senior civil servants with a new and healthy respect for a wider range of professional skills.

But does this mean that policy making is necessarily worse? It can be argued that the old cultural attachment to "policy" described above bears out the model of

“bureaushaping,” in which civil servants monopolize the intellectually interesting activity of giving advice to ministers while offloading less intellectually engaging activities, such as managing policy delivery, to other agencies (see Dunleavy 1991). This creates a pleasant and intellectually stimulating activity but at the price of detaching policy from the question of whether it can be implemented successfully and efficiently and whether it actually works. There has been sufficient evidence of the failures of policy advice over the years (see Dunleavy 1995; Hennessy 1997) and more recent successes, for instance in the field of macroeconomics over the last twenty years compared with the previous twenty years, to suggest that it is worth striving for better and more professional models of policy making.

Some commentators worry that “detached from their civil service advisers, Ministers will be able to exercise more arbitrary power given their discretion within the law” (Foster and Plowden 1996, 178). But arbitrary action, detached from advice, has always been a hazard, as the Suez venture illustrated. The only duty on Ministers is “the duty to give fair consideration and due weight to informed and impartial advice from civil servants, as well as to other considerations and advice, in reaching decisions” (Cabinet Office 1996). It is the duty of the civil service to give such advice, but to extend this to acting as a block on government action risks giving the civil service an independent constitutional role which it does not have.

The end of generalists as a class was a necessary step on the path to better policy making. Whether the generalist will ever be dispensed with completely is open to question. Certainly the skills will continue to be needed. But the determined trend away from the generalist as a class is unmistakable over the period.

7. WHAT PRIME MINISTERS WANT

One major influence on policy making in government is intervention by Number 10. Prime ministers want success for their government and re-election; and they may not see these things as flowing naturally from the sum total of the successes of their colleagues, unaided by the centre.

Although usually powerful, prime ministers in Britain have relatively few formal executive powers other than the power to recommend the Queen to appoint and dismiss ministers and the power to chair and sum up meetings without a vote. Most executive powers, including legal powers and expenditure, are vested in secretaries of state or other bodies such as local government. Prime ministers are therefore driven to searching for ways of intervening effectively.

The extent of their interventions differs; but regardless of political party, they tend to be reluctant simply to rely passively on their ministerial colleagues to serve up

papers for collective discussion in their own time and on the basis of their own analyses. Most business and most policy has to be left to departments: the volume is far too great to be run from the centre. But there tends to be a restless wish on the part of prime ministers to improve policy decisions and the policy analysis available when decisions are taken.

One reason for this restlessness, obviously not stated, may be a lack of confidence in a colleague or his officials, because of political differences or poor performance or a lack of new ideas coming forward, or for whatever reason. One response in such cases may be a reshuffle of ministers and the astute appointment of permanent officials to key posts in the department when vacancies arise, not out of a wish to politicize but to improve the performance of the department. An alternative response may be the appointment of an adviser in Number 10 to shadow the policies of the department. Both sorts of appointment are better done with the consent, however grudging, of the Minister concerned. The danger otherwise is that, rather than improve policy, there will be tensions which boil over publicly. A famous example concerns Prime Minister Thatcher's appointment of Sir Alan Walters as her economic adviser—an appointment that set up such tensions with the Treasury that it led in 1989 to the resignation of her Chancellor, Nigel Lawson, a resignation that in turn contributed to the chain of events that led to Thatcher's own deposition as Prime Minister in 1990.

A third response may be reorganization of departmental responsibilities. One executive power which prime ministers do have is the power to decide the machinery of government. Some avoid using the power on the grounds that the short-term costs of upheaval are certain whereas the long-term benefits are uncertain and may be small. Thatcher took this view and reorganized very little. Prime Minister Heath on the other hand instituted a major reorganization within months of taking office, making an explicit link between organization and policy:

government departments should be organised by reference to the task to be done or the objective to be attained, and this should be the basis of the division of work between departments rather than, for example, dividing responsibility between departments so that each one deals with a client group. The basic argument for this functional principle is that the purpose of organisation is to serve policy.¹²

Prime Minister Blair similarly carried out a major reorganization of departments at the beginning of his second term of office. But whether the "functional principle" remains so strong and so clear-cut when the "delivery" of high-quality services to different client groups is a top policy priority is an open question. As the focus of government policy becomes increasingly centered on client groups, the functional principle may begin to fall away.

¹² White Paper, Cmnd 4506, Oct. 1970, Reorganization of central government.

8. POLICY UNITS

More fundamentally, all prime ministers are concerned to ensure that departmental policies are scrutinized critically and that the government as a whole has a coherent strategic approach to policy in a “joined-up” way. Cabinet Office secretariats can coordinate papers across departments but they do not have the capacity for independent research, nor indeed is it easy for them to recommend courses of action which are strongly opposed by departments and their Ministers. In such circumstances they can at most draw attention to unpopular options and rehearse the arguments. So the pressure is to create units specifically for policy analysis and advice.

There is another factor. Prime ministers tend to lack the resources to take on a Cabinet colleague and his experts in a major argument about policy. There are ways round the problem, including force of personality and low cunning, but another approach is to develop an alternative source of expertise at the centre.

For these reasons, therefore, successive prime ministers have experimented with policy units. In the White Paper of October 1970¹³ Prime Minister Heath set up the Central Policy Review Staff (CPRS, often called the Think Tank) in the Cabinet Office to enable ministers to:

work out the implications of their basic strategy in terms of policies in specific areas, to establish the relative priorities to be given to the different sectors of their programmes as a whole, to identify those areas of policy in which new choices can be exercised and to ensure that the underlying implications of alternative courses of action are fully analysed and considered.

The CPRS had a considerable impact. Under its first head, Lord Rothschild, it developed a style of short papers submitted to Cabinet, expressed in pithy English, usually thinking the unthinkable, which delighted some and infuriated others. One Secretary of State was so irritated by its work that in 1976 he expressly instructed his permanent secretary that when studies on departmental business were undertaken by the CPRS and officials were informed, Ministers should be informed immediately to allow their view to be taken into account by the CPRS. This is another example of the way in which institutional factors may have an effect on policy analysis.

The CPRS was wound up by Prime Minister Thatcher in 1983 when it was perceived to have ceased to be as effective as it was. Thatcher’s own account is of interest:

a government with a firm philosophical direction was inevitably a less comfortable environment for a body with a technocratic outlook. And the Think Tank’s detached speculations, when leaked to the press and attributed to ministers had the capacity to embarrass. The world had changed, and the CPRS could not change with it. For these and other reasons, I believe that my later decision to abolish the CPRS was right and probably inevitable. And I have to say that I never missed it. (Thatcher 1993, 30)

¹³ Ibid.

In place of the CPRS Thatcher set up a smaller Policy Unit in Number 10, staffed by a mixture of civil servants and special advisers. The location was significant. Whereas the CPRS had submitted its policy advice to the whole Cabinet openly, the Policy Unit worked directly for the Prime Minister who was the only person who saw its work unless she chose to show it to others. At meetings she would have two briefs before her: one from the Policy Unit and one from the relevant secretariat of the Cabinet Office. The support was to the Prime Minister rather than the Cabinet.

The coming to power of the Blair government in May 1997 marked a further step in the use of central units. This had been foreshadowed by Peter Mandelson, a close political ally of Blair, in 1996, drawing on his perception of how Thatcher had run her governments:

Margaret Thatcher's success lay in her ability to focus on a set of clear goals and make everything (and everyone) conform to these priorities... she lost a lot of blood (most of it other people's) on the way. Tony Blair's aim must be to achieve a similar level of policy fulfilment without the accompanying costs and damage to relations inside and outside government ... a prime minister needs support in taking the initiative and imposing a clear strategy on the government, and this support has to be found among the prime minister's personal advisers in No.10 ... The answer lies in a more formalised strengthening of the centre of government. (Mandelson and Liddle 2002, 236, 239, 240)

The result was experimentation with many different forms of policy unit—the Social Exclusion Unit, the Performance and Innovation Unit, the Centre for Management and Policy Studies, and latterly the Strategy Unit in the Cabinet Office and the Policy Directorate in Number 10—and an expansion of the role of the center.

There was also an increasing role for the Treasury in policy analysis and advice, reflecting the strength of the Chancellor of the Exchequer's personal position within the government. This was more often effected directly, using public expenditure as a lever, rather than through the creation of units. Policy making at the centre was in practice now shared between the Treasury and the Prime Minister's Office, with the Cabinet Office providing support both to Number 10 and the Cabinet collectively.

The Blair and Thatcher governments in their different ways illustrate the importance of the political context in which the policy process takes place, and the impact which Number 10 can have on it.

9. THE CHALLENGE FOR POLICY UNITS

The challenge for policy units, once established, is to maintain a high quality of work and to nurture their influence, so that their advice continues to be accepted.

Policy units at the centre have developed their own capacity to do research and analysis, rather than just relying on departments. The CPRS moved into the field by the mid-1970s, for instance with their controversial review of Overseas Representation. In the 1980s the Policy Unit under the leadership of Lord (Brian) Griffiths played a major role in the formulation of radical new policies, in particular on education and the national curriculum. By the late 1990s the Performance and Innovation Unit was carrying out substantial research of its own, through teams assembled for the purpose.

Because they are dealing with subjects which cut across government or which are new, policy units often find themselves dealing with subjects which are under-researched or not researched at all. With limited resources, it is difficult for them to do all their research themselves, particularly in view of the critical scrutiny their evidence will receive if their recommendations are controversial. It is also dangerous for them to come up with controversial conclusions if some of the hostility is likely to be from within government. They have the protection of the prime minister; but if they get things wrong, it can seriously damage their reputation and credibility. There is therefore a real incentive for policy units to find allies in the outside world who can help with the research and occasionally trail ideas to test the waters of public opinion. This is where think tanks, pressure groups, and voluntary bodies can gain a foothold.

The other main challenge for policy units is the pressure to be sucked into immediate issues and troubleshooting at the price of losing their role in providing more reflective, long-term advice. It is a tension which reflects the pressures on prime ministers. However important the long-term policy, it can easily seem less urgent and, by implication, less important, than immediate crises and the battle for political survival.

The performance of policy units is difficult to sustain at a high level over time. Most have a finite lifespan after which their usefulness gradually declines. But while they are at their peak they can play a formidable role in the policy process.

10. THE DEPARTMENTAL POINT OF VIEW

It should not be assumed that this mistrust of departments is always justified. From the point of view of departments, policy analysis by the centre is liable to be shallow and to lack a proper understanding of the factors which must shape policy. The classic statement of the case for the departmental point of view was put by Lord Bridges:

In most cases the departmental philosophy is the result of ...the slow accretion and accumulation of experience over the years... They are the expression of the long continuity of experience which can be one of the strongest qualities of an institution, if well organised. Again they are broadly based, and the resultant of protests and suggestions, and counter

suggestions, from many interests, of discussion and of debates in which many types of mind have taken part. They represent an acceptable point of view after the extreme divergencies have been rooted out. (Bridges 1950, 16-17)

It is of course these extreme divergencies that some prime ministers want to see before they are rooted out.

The best answer in an imperfect world is likely to be a creative tension between departments and the centre of government in which neither is ever certain of winning. Where the balance of power lies in practice depends on circumstance and may be a matter of some delicacy. There is always the risk that a strong Secretary of State will object vigorously to an infringement of his or her responsibilities. There is also always the risk that a department, weakly placed, will lose control of its policy to the centre as happened, for instance, with the review of the National Health Service (NHS) conducted in 1988. Support for the ministerial group chaired by the Prime Minister was coordinated centrally, and few people in the department or the NHS knew about the group's radical conclusions until shortly before they were announced, arguably a factor which handicapped their implementation. Policy analysis and policy advice are not only about the exercise of power *by* governments; they are about the exercise of power *within* governments.

11. CONCLUSION

Governments tend to assume that the government machine can achieve successfully whatever it sets its hand to. In practice performance across government tends to be variable and patchy, with different parts performing well at different times. The same applies to the policy process. There have been big strides towards improving the quality and professionalism of the policy process in government over the years, but there is still a long way to go and performance is variable and patchy. And, however good the analysis and advice, policy making still remains an uncertain business, often a long way from the smooth continuous process envisaged at the opening of this chapter.

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