BRIAN W. HOGWOOD

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For Alison

who is blissfully unaware of
the contents of this book

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In this book, particularly in chapter 3, I have chosen to place a different emphasis on the variety of processes involved in shaping British public policy from that adopted by Jeremy Richardson and Grant Jordan. This book has, however, been immeasurably informed both by their insights into policy-making in Britain and by their continuing empirical work.

One of the most interesting conversations I have had about the subject-matter of this book, particularly that contained in chapters 1 and 3, was with Rod Rhodes at the PAC conference in York in September 1985. The discussion was a good advertisement for going to conferences but skipping some of the sessions. This book has benefited from that decision, and would undoubtedly have benefited more if I had followed up all his tips.

Contents

Chapter 1

Making Sense of Policy Activity

1.1 From crisis to complacency?

A child dies, killed by her own parents; a famine which has been developing for months is portrayed on television screens. The government suddenly devotes attention to an issue which had not until then been treated as a political priority, even if government already had some involvement in that area. This upsurge in interest might spur the government into some activity such as launching an inquiry into cases of child abuse or announcing aid allocations. Once the immediate political crisis is passed, the government loses interest, either taking no further action or allowing the programme established as a result of the crisis to struggle on with little political follow-through to see if it is actually working, until a further crisis gives prominence to policy problems. This is the cynical, rather caricature picture of government embodied in the question in the title of this book.

This book will examine how far that is an accurate characterization of the policy process in practice in Britain. From the start, though, we should be cautious about assuming that there is necessarily one type of process or 'policy style' that will adequately describe all policy activity in Britain across policy areas and across time (cf. Jordan and Richardson, 1982). In particular, we should not confuse the public prominence of political activities with intensity of government concern; as will become clear, much of the most important discussion about shaping public policy in Britain takes place in private.

1.2 What is public policy?

What kind of issues are covered by the term 'public policy'? Two different stories which appeared in the press on 14 October 1985 illustrate the range of considerations with which any analysis of the British public policy process must be concerned.

The first story concerned the cabinet infighting during the annual public expenditure decision-making leading to the Autumn Statement (see chapter 6 on budgeting). The Chancellor of the Exchequer, Nigel Lawson, was trying to cut £3bn from the bids made by ministers to bring expenditure within a ceiling of £139 billion (*The Times*, 14 October 1985). There was speculation that defence and social security would be frozen or cut, while law and order could hope for increased spending following a speech by Mrs Thatcher at the Conservative Party Conference the previous week. This is public policy rounded to the nearest ten million pounds.

The second story concerned Mrs Elizabeth Fairhurst's meat and vegetable pies (*Financial Times*, 14 October 1985). The Finance Act 1984 imposed Value Added Tax (VAT) on any supply of hot food for consumption off the premises; cold food was zero rated. The officials at the Customs and Excise had realized that what counted as hot was not self-evident so they defined hot food as 'that heated and supplied at a temperature above the ambient air temperature for the purpose of enabling it to be consumed at such a temperature'. However, the case of Mrs Fairhurst's meat and vegetable pies raised the question of when hot pies were actually sold hot for that purpose. The shop baked pies on the premises. Mrs Fairhurst:

> told the tribunal that after removing the hot pies from her oven she puts them in trays from which clients would be served . . .
>
> Mr Kenneth Pimblett, the proprietor, said the shop was a traditional bakery and that it was a matter of chance if the pies were not cooled to room temperature when sold. He said the pies were quite palatable when cold. Alternatively, customers would re-heat them at home.
>
> The pies were baked on the premises, he said, purely for marketing reasons. The baking produced an agreeable smell and atmosphere and demonstrated the pies to be fresh.
>
> A regular client was a Mrs Wood, a Customs officer who lived locally. She saw that at lunchtime there was often a rush of office workers and school children who would buy pies almost as soon as these were removed from the oven, before they had cooled, and often would eat them immediately.
>
> Mrs Fairhurst, cross-examined, said clients specifically asked for hot pies.
>
> The tribunal decided her pies were more palatable when hot, or at least warm, and that some clients liked to eat the pies before these had gone cold.

It decided every pie satisfied the statutory test of being heated to enable it to be consumed hot and it therefore upheld the Customs and Excise case that part of the meat pies should be subject to 15 per cent VAT.

Customs officers in January had analysed the sales pattern on several days between noon and 1 pm, having decided sales at other times should be zero-rated.

On their sample's basis they decided 11.94 per cent of total sales should be liable to VAT. The tribunal upheld this figure and the procedure which produced it.

This is public policy to the second decimal place.

The word 'policy' is part of the everyday language of newspapers and television. Even a casual study of news items with the word 'policy' in them will reveal that the word is being used in different ways, from a broad label such as 'environmental' policy to the consequences of specific actions taken by government. Politicians rarely make these distinctions explicit, but Roy Hattersley, Labour's Shadow Chancellor of the Exchequer, complained that in costing Labour's programme at £24bn the Treasury had a 'habit of assuming that the aim has become a policy and that the policy will be implemented in a single year' (*Financial Times*, 11 March 1986). He was therefore distinguishing three quite different meanings of policy.

Pointing to differences of usage might seem to be just academic nit-picking—of course we all know what public policy is. However, take this comment by a local authority education official:

> It might help here to consider the question of what we actually mean by government policy. Is it the manifesto promise? Is it the thrust of policy given vague shape by the rhetoric of campaigning political leaders? Or is it the hard factual stuff of an Act of Parliament?
>
> I confess that I am by no means sure what does constitute government policy, although for the last nine years of my professional life the matter has been of the utmost practical importance. (Turner, 1980.)

If someone actually involved in administering policy does not know what is meant by government policy, what hope is there for outsiders?

A good start is to take a careful look at all the different ways in which the word 'policy' can be used (Hogwood and Gunn, 1984, 13–19). For example, we often find references to social policy, economic policy, foreign policy, or, more narrowly, housing policy, education policy, etc. These are both commonly used and

common-sense *labels*, though when we start to analyse them we find it difficult to draw sharp boundaries between them (for example, between industry policy and trade policy and between trade policy and foreign policy). These labels can be used to cover both existing government activities in that sphere and potential innovations or alternatives. Clearly, there are variations in the extent to which the government is already involved in a policy area. Social security is an example of a policy area where the government is already involved in almost every conceivable type of benefit and where policy proposals will inevitably involve replacing or changing existing activities. Leisure and recreation is one field where there is in principle scope for greater government involvement in activities where it has not previously intervened.

We are all familiar, particularly during the party conference season, with expressions such as 'Conservative policy is to promote freedom' or 'Labour policy is to reduce inequality'. This is *policy as aspiration* or *policy as general purpose*. This is a perfectly legitimate everyday use of the word 'policy', but it says nothing about how the desired state of affairs is to be achieved or the purpose fulfilled. This is true also of 'statements of government policy' on occasions such as the Queen's Speech at the beginning of each annual Parliamentary Session. For example, the Queen's Speech at the beginning of the new Conservative government in May 1979 included this passage on Northern Ireland:

> In Northern Ireland my Government will strive to restore peace and security and to promote the social and economic welfare of the Province. They will seek an acceptable way of restoring to the people of Northern Ireland more control over their own affairs. (*HC Deb.*, 15 May 1979.)

Put in this way, expressions of purpose may seem very woolly, but the idea of objectives is at the heart of much of the writing on management and policy analysis. Almost by definition, policy is concerned with *purposive* action, that is action which is designed to carry out certain objectives. Of course, the objectives may be unclear, contradictory, or unfulfilled in practice. Different people may have different motives in developing policies. Some motives (such as self-glorification) may be considered disreputable, but the idea of motiveless policies is literally incomprehensible. Public policies in modern Britain are not things that just happen, they are the results of conscious action. This is not to deny the scope for

interpreting what might underlie the action, or for unintended outcomes. Further, in a book primarily concerned with descriptive analysis, we should avoid assuming that analysis starting from the definition of objectives is an accurate description of how policies actually evolve. One contradiction which can arise because parties alternate in office or individual parties change their emphasis is that government as the party in office may have a stated purpose and intentions which are substantially different from what the government as the whole set of organizations engaged in delivering public policies is actually doing. The bulk of policy delivery at any given time reflects the political priorities and legislation of previous governments.

We can talk of any political organization, whether interest group, political party, or government itself, having *policy proposals* in the sense of statements of specific actions they would like to see undertaken by government. For example, the 1985 Labour Party Conference passed a resolution calling for the appointment of a minister for conservation responsible for all aspects of environmental policy, including the abolition of hunting with dogs and the establishment of a national environmental protection agency to enforce legislation.

It is common to hear the publication of a White Paper described as an announcement of government policy. However, such *government 'decisions'* may still require to be enacted as law. As both the 1974–9 Labour government with its frequent minority status and even the 1979 Conservative government with its supposedly comfortable majority have found, this cannot always be taken for granted. Even when enacted, such decisions still have to be implemented or enforced, perhaps by bodies other than central government itself. 'Policy' in its broadest sense should be differentiated from a 'decision'; a decision is simply a particular choice among competing alternatives. Although we often speak of a 'decision-making' stage in the policy process, referring to a decision about alternatives made by 'key' decision-makers, important decisions affecting policy are in fact made at all stages. The decision about whether or not to treat an issue seriously in the first place or decisions about how to implement it are often at least as important as any formal decision by, say, the Cabinet.

A policy acquires a different formal status when it is legitimated, for example, by being embodied in an Act of Parliament or

statutory instrument to permit or require an activity to take place. Here policy receives *formal authorization*. When an Act of Parliament is passed it is common to hear this referred to as a policy having been carried out or 'implemented'. However, this is very misleading, since all that has happened at this stage is that a bit of paper has been signed. Funds still have to be spent and perhaps staff hired before any of the activities envisaged in the Act can take place. To quote again from the education official referred to earlier:

> What then of the final category of government policy—the Act of Parliament? Is not this a clearly defined directive for the administrator? Alas no! To give two examples—freedom of parental choice of schools was enshrined in the 1944 Education Act but in practice it never existed. More recently, access to public buildings for the disabled has been the subject of legislation, but in practice once more little or nothing has been done. (Turner, 1980.)

This is not to argue that the passage of legislation is unimportant—it is an important legitimating stage in the policy process (see 5.9).

For policies to impinge on citizens, they have to be delivered through an organizational structure with staffing and a budget. This leads on to the concept of *policy as a programme*—a defined and relatively specific sphere of government activity involving a particular package of legislation, organization, and resources. Thus we can talk of a school meals programme, which involves a specific piece of legislation, various resources, and the manpower to deliver the programme. Government housing policy (policy as label) can be said to consist of a number of programmes such as the provision of council houses, a housing improvement programme, a mortgage interest subsidy programme, and so on. The British style of legislation and budgeting tends to result in less clearly definable packages than is the case in the United States. Programmes may also become intertwined at the point of delivery. We may want to distinguish between policy as a purpose or objective and alternative programmes which might carry out that objective. For example, a policy of encouraging industry to invest in areas of high unemployment might be pursued through a programme of investment grants or through a programme of tax reliefs.

Ultimately, policy can be seen as what government actually delivers as opposed to promises or has formal authorization for.

Such *outputs* take many forms—the payment of cash benefits, the delivery of goods or services, the enforcement of rules, the invocation of symbols, or the collection of taxes. The form of outputs varies between policy areas. It is sometimes difficult to determine what the final 'output' of government policy is. For example, in education there is a tendency to talk in terms of money, teachers, school buildings. It might be better to call these 'intermediate outputs', since they contribute to the final output of teaching but are not themselves that output. Outputs in practice may not conform to stated intentions; for example, if in practice the government is not taking the necessary steps to ensure access for the disabled this calls into question the extent to which it is meaningful to talk of providing full access for the disabled as being 'policy' when this is not in fact happening.

Another way of looking at policy is in terms of its *outcomes*, that is, in terms of what is actually achieved. The distinction between *outputs* (the activities of government at the point of delivery) and *outcomes* (the impact of those activities) is often slurred over, and is sometimes difficult to make in practice, but it is an important one. Thinking of policy in terms of outcomes may enable us to make some assessment about whether the stated purpose of a policy appears to be what the policy is actually achieving as a result of the way it was designed. Focusing on the impact of policies also serves as a reminder that policy delivery and impact are rarely a matter of a straight-line relationship between a single policy instrument or organization interacting with its environment to produce a clear-cut impact. There are frequently a number of organizations operating in the same policy area. In addition, there may be spillovers from other policy areas which impact on the same targets, thus producing interaction effects. The overall outcome will be the product of the outputs of these organizations and their effect on the environment, which may well depend on the reaction of the citizens at whom they are targeted. This *product* of the impact need not necessarily reflect the sum of the purposes of the organizations concerned or of the original decision-makers. Some aspects of the impact may be entirely unintended; a good example of this is the evolution of the 'poverty trap' in Britain as the result of the separate development of a large number of policy instruments designed to assist the poor and of the personal taxation system.

All policies involve assumptions about what governments can do and what the consequences of these actions will be. These assumptions are rarely spelt out, but *policies imply a theory* or model about what the relevant factors are and how changes in government activity would affect them. If we think of policy in terms of the theory which appears to underlie it, we can see that failure of a policy can arise (1) from the government's failure to carry out in full or in the expected form the activities assumed, or (2) because the activities, even if carried out, fail to have the consequences expected according to the theory, or (3) because there are other influences, perhaps the effects of other government activities, which were not taken into account in the development of policy ideas. Because the implicit policy theories are rarely spelled out, one of our tasks in studying public policy is to try to tease out the theories underlying policies and examine the internal consistency of the resulting model and the apparent validity of its assumptions.

Finally, we can think of *policy as a process* by which proposals are transformed into activities. This way of thinking about policy helps to pull together all the above different ways of looking at policy. One theme is implicit in the title of this book: policy-making is a process which develops over time from the raising of the issue, discussion of it, and subsequent government action or inaction. The process approach emphasizes that policy can be shaped at all stages of the policy process. It focuses on the actual behaviour of organizations rather than simply on what is proposed or intended. Although we are interested in policy proposals, we are also concerned with what governments actually do, rather than only with what governments say they are going to do, or even what is on the statute book. The study of policy is also concerned with what governments do not do—by not taking up an issue or by not following through a decision—as well as with what government spends money on. Policy as inaction is much more difficult to pin down and measure than policy as action (see 2.8).

Studying policy-making by tracking through the ways in which issues are processed provides a markedly different perspective from one which looks at British government through chapters on the formal institutions of government—the government, the civil service, the House of Commons, the House of Lords—or even one which recognizes the importance of other organizations and has a

separate chapter on interest groups. This is certainly not to argue that institutions are unimportant; indeed, one of the key elements of a policy approach to studying British government is that policy-making is not just about political actors as individuals but as members of organizations. In this book institutions are mentioned, but in terms of the role which they play at different stages of the policy process. Perhaps the simplest way to describe the concerns of the book is to say that it is concerned with what government does, in terms of what policies it produces and the processes by which those policies are shaped, rather than with how government is elected or how its membership is determined.

1.3 The policy process in the political system

In the last section it was pointed out that one of the ways in which we could think of policy was as a process and that this was worth exploring further because it had advantages in drawing together all the other ways in which the word 'policy' is used and showing the relationship between them. The idea of policy as a process is closely related to the idea of political activity taking place within a political system rather than simply in terms of 'government'. The idea of a political system has increasingly been used since the mid-1960s as a framework for analysing decision-making and policy-making (see e.g. Burch and Wood, 1983).

The main features of the political system model are:

1. The *political system* (which is a broader concept than just the government and the legislature) is embedded in a social and economic *environment* and interacts with it (see Fig. 1.1).
2. The political system receives *inputs* (articulation of demands, resources, supports) from the social and economic environment. Because demands are always larger than available resources, generalized support from citizens for methods of allocating resources to demands is crucial, even if citizens do not agree with many of the specific actions of government.
3. The *decision-making process* within the political system converts these inputs into *outputs* in the form of goods, services, laws, and so on.
4. *Feedback* from the social and economic environment may lead to a further round of inputs.

At this high level of generalization, the systems framework does

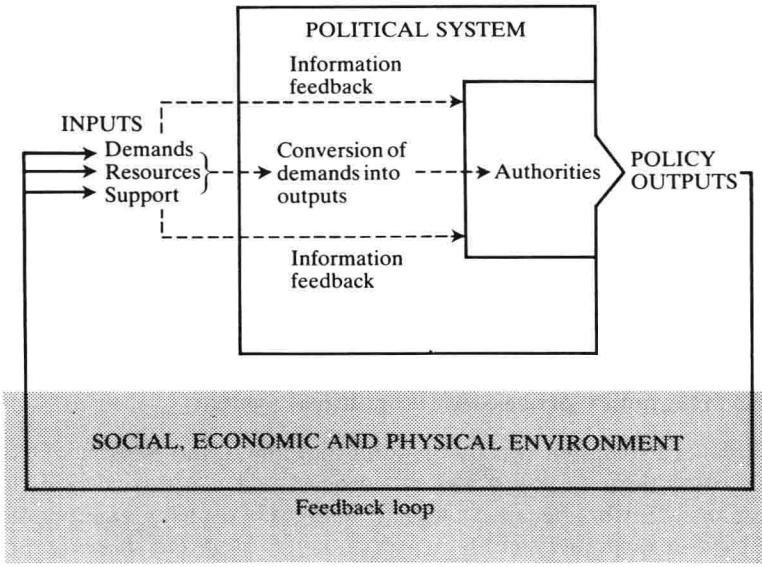

Fig. 1.1 Simple model of the political system
Derived from Easton (1965)

have some value in that it points to *the relationship* between demands, the political system, the outputs of the system, and the impact of these outputs in terms of stabilizing the environment or setting off new demands. It also provides us with a framework in which we can try to understand how changes in the social and economic environment are followed by changes in the outputs of government and in the structure of the political system. The framework also stresses the cyclical nature of much policy-making: policies produce impacts which may in turn set off new demands or stronger or weaker support for government.

However, as an aid to understanding the functions of the state in a country like Britain, the systems model suffers from a number of defects. First, the framework says nothing about *how* inputs are transformed into outputs. It treats the decision-making process as a 'black box'. It tells us nothing about the distribution of power or the substance of policies. The model, as such, does not tell us, for example, whether specific groups suffer because their wants are continually ignored. Secondly, the model operates at too high a