

MARTIN
POTŮČEK
ET AL.

PUBLIC POLICY
A COMPREHENSIVE
INTRODUCTION

KAROLINUM



Public Policy

A Comprehensive Introduction

Martin Potůček et al.

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CONTENTS

Introduction	7
Overview of the Public Policy Theories Presented	9
List of Abbreviations	11
PART A	13
A1 Public Interest and Public Policy	15
A2 Values in Public Policy	29
A3 Governance	47
A4 Actors and Institutions	71
A5 Public Policy Instruments	83
A6 Public Policy Process. The Stage of Problem Delimitation and Problem Recognition	105
A7 Policy Formulation, Decision-making	119
A8 Policy Implementation	133
A9 Policy Evaluation	147
A10 How to Understand Public Policy	161

Literature – Part A	175
Journals and Internet Sources	189
English-Czech Glossary of Public Policy Terms	191
List of Tables – Part A	193
List of Figures – Part A	195
PART B	197
Introduction to Part B	199
Terminology of the Pillars in the Czech Pension System	201
B1 Historical Overview of Pension Systems in the World and in the Czech Republic	203
B2 The Role of Politicians and Experts in the Preparation of Czech Pension Reform	217
B3 Czech Pension Reform: How to Reconcile Equivalence with Fiscal Discipline	237
B4 Rivalry of Advocacy Coalitions in the Czech Pension Reform	261
B5 Pensions Basics	277
Literature – Part B	287
List of Tables – Part B	295
List of Figures – Part B	297
Subject Index (Part A)	299
Personal Index (Part A)	303

Introduction

The book of public policy in front of you follows in the footsteps of an earlier publication, *Public Policy in Central and Eastern Europe: Theories, Methods, Practices*.¹ Since it came out, the field went through a relatively rapid development. Today, students of public administration, economics, political science, sociology, social policy, demography, international relations, regional development and other social sciences can avail themselves of a range of other educational texts offering novel insights to public policy. Having more than two decades of experience teaching at Charles University in Prague as well as at other universities in the Czech Republic and abroad, I considered it necessary to provide a new, comprehensive and synoptic account of the state of the art. I placed emphasis on the field's conceptual foundation, description of the most frequently used theories, and an illustrative account of how these can be applied in policy analysis and policy making – here, in the form of selected case studies.²

Should you choose to pursue your interest in public policy by studying this publication, then several avenues towards that end are opening in front of you.

The easiest way forward is to follow the sequence of chapters in Part A. It starts with the most general topics (definition of key terms, value fundamentals, issues of governance) and continues to more specific texts characterizing actors, institutions and instruments of public policy. This is followed by chapters on four stages of the policy process – problem delimitation and recognition, policy formulation and decision-making, implementation, and

1 Potůček, M., L. LeLoup, G. Jenei, L. Váradi. 2003. *Public Policy in Central and Eastern Europe: Theories, Methods, Practices*. Bratislava: NISPAcee.

2 Readers with a command of the language may prefer to consult a Czech version of this textbook: Potůček, M. a kol. 2016. *Veřejná politika*. Prague: C. H. Beck.

evaluation. The final chapter of this part brings attention to obstacles in the process of examining public policies and possible methods to overcome them.

At the same time, you may choose a cross-sectional way of studying the most influential public policy theories. They are referred to throughout the textbook in accordance with the focus of the respective chapters. The table “Overview of the public policy theories presented” that immediately follows can help you find where the different theories are presented in Part A and where they are applied in Part B.

Another method will be found useful by those with a preference for narratives and vivid accounts of events. Part B demonstrates the ways selected public policy theories can be applied in telling the story of pension reform in the Czech Republic: repeated attempts to utilize expertise in policy decision-making, executive and legislative responses to a ruling of the Constitutional Court on the unconstitutionality of applicable law, or an attempt to structurally reform the pension system as a whole by establishing a new element, a fully funded, private, so-called “second pillar”, relying in part on mandatory social insurance premiums transferred from the pay-as-you-go first pillar.

The book bears the imprint of the country of its origin, the Czech Republic, and the specific historical legacy of Central Europe. Students of public policy should consider complementing their study with other textbooks of the subject, influenced by other cultural and socio-political traditions, such as Cairney (2011), Howlett, Ramesh (2009) or Peters (2015).³

I am much obliged to the co-author of Part B, Veronika Rudolfová, for an inspiring collaboration. I am also thankful to a number of colleagues at the Department of Public and Social Policy, Institute of Sociological Studies, Faculty of Social Sciences, Charles University in Prague, who proved to be important sources of critique and advice in the process of preparing this book: Arnošt Veselý, above all, and also to Martin Nekola and Vilém Novotný – even though we kept different perspectives on some particular topics. Jan Morávek participated in the final draft not only by conducting an excellent translation but also through inspiring comments on the text as such. I am grateful to him as well as to the book’s editor, Hana Mářzová. Responsibility for the concept of the textbook and for my chapters is, of course, mine alone.

Prague, November 2017
Prof. Dr. Martin Potůček, PhD.

3 Cairney, P. 2011. *Understanding public policy: Theories and issues*. Palgrave Macmillan; Howlett, M., A. Perl and M. Ramesh, *Studying Public Policy*. 2009. Toronto: Oxford University Press; Peters, B. G. 2015. *Advanced introduction to public policy*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.

Overview of the public policy theories presented⁴

Theory	Part A, chapter	Part B, chapter
Historical institutionalism	A2	–
Corporatism	A3	–
Policy networks	A3	–
Actor-centered Institutionalism	A4	B3
Actors generating agendas in arenas	A4	–
Advocacy Coalition Framework (ACF)	A5	B4
Discursive institutionalism	A5	B2
A Stage model of the policy cycle	A6	B3
Agenda setting	A6	–
Veto payers	A7	–
Multiple streams	A7	–
Bureaucracy	A8	–
Principal–agent (politico-administrative relations)	A8	–
Rational choice	A9	B3
Framework analysis	–	B2

4 This is the author’s selection of theories which proved to be instrumental in various research contexts. There are of course many other public policy theories applied in specific application fields at different levels of generality. Refer to John (2013) for their overview.

List of Abbreviations

AC	Advocacy Coalition
ACF	Advocacy Coalition Framework
ANO	Ano bude líp (political movement)
ASEAN	Association of Southeast Asian Nations
BBC	British Broadcasting Corporation
CESTA	Center for Social Market Economy and Open Democracy
ČMKOS	Czech-Moravian Confederation of Trade Unions (abbreviation in Czech)
ČNB	Czech National Bank (abbreviation in Czech)
ČR	Czech Republic
ČSSD	Czech Social Democratic Party (political party)
ČSSZ	Czech Social Security Administration (CSSA, abbreviation in Czech)
CZK	Czech Crown (national currency)
DB	Defined Benefit (pension scheme)
DC	Defined Contribution pension scheme
EG	Expert Group (government and opposition party, ČSSD)
EU	European Union
EUR	Euro
FF	Fully Funded pension system
G20	Group of Twenty
G8	Group of Eight
GDP	Gross Domestic Product
GNH	Gross National Happiness
GNI	Gross National Income
HDI	Human Development Index
IADF	Institutional Analysis and Development Framework

ICT	Information and Communication Technologies
ID	Identity Document
ILO	International Labor Organization
KDU-ČSL	Christian and Democratic Union – Czechoslovak People’s Party
KSČM	Communist Party of Bohemia and Moravia (political party)
MLG	Multi-level Governance
MP	Member of Parliament
MPSV	Ministry of Labor and Social Affairs of the Czech Republic (abbreviation in Czech)
NDC	Notional Defined Contribution (pension scheme)
NERV	The National Economic Council of the Government, Czech Republic (abbreviation in Czech)
NGO	Non-Governmental Organization
NHS	National Health Service, United Kingdom
ODA	Civic Democratic Alliance (political party)
ODS	Civic Democratic Party (political party)
OECD	Organisation for Economic Co-operation and Development
OK	Expert Committee on Pension Reform, Czech Republic (abbreviation in Czech)
PAYG	Pay-as-you-go (pension system)
PČR	Parliament of the Czech Republic
PES	Expert Advisory Board/Bezděk Commission II (abbreviation in Czech)
PS PČR	Chamber of Deputies of the Parliament of the Czech Republic
RCT	Rational Choice Theory
RHSD	Council of Economic and Social Agreement (abbreviation in Czech)
RIA	Regulatory Impact Assessment
SP ČR	Confederation of Industry of the Czech Republic (abbreviation in Czech)
SZ	Green Party
TOP 09	Tradition. Responsibility. Prosperity (political party)
UK	United Kingdom of Great Britain and Northern Ireland
UN	United Nations
ÚS	Constitutional Court of the Czech Republic (abbreviation in Czech)
USA	United States of America
VÚPSV	Research Institute of Labor and Social Affairs (abbreviation in Czech)
VV	Public Affairs (political party)
WB	World Bank
WWII	Second World War (1939–1945)

PART A

Public Interest and Public Policy

What is meant by public interest?	16
What is meant by public policy?	19
The emergence and development of public policy	
as a scientific discipline: A history	20
Relation of public policy to other disciplines	20
Defining public policy as a scientific discipline	21
Polity, policy, politics	22
Public policy as social practice	23
Founding fathers and followers	25
Future perspectives of the discipline	26
Review questions	27
Sources	27

Some time ago, William Dunn (1981: 8-19) argued that “the study of public policy is as old as Plato’s concern for *The Republic*” (as paraphrased by McCool 1995: 1). But even long before ancient philosophers, people had been trying to solve conflicts between interests and ways of satisfying them intuitively, on the fly. Albeit many armed conflicts arose, other struggles were, fortunately, solved peacefully.

Public policy in practice serves to prevent and solve conflicts, a natural trait of social life which is here to stay. Our lives and deeds depend on the lives and deeds of other people – and not only those. We are confined to societal frameworks that mediate and enable coexistence between people: money, law, organizations, language, culture... it is in these complex relations that our individual interests mix and intersect with those of other people, social

groups, corporations, and/or states. Such interests are often conflicting, and there are many actors who will lose a lot if their interests fail to be reconciled. Economic and social crises, wars, coups and revolutions are, among other things, manifestations of a conflict of particular interests gone out of control.

Building on the basis of philosophy and other existing social sciences, **public policy** became established as a new scientific discipline in the second half of the 20th century. Academics did not invent it as their new toy or source of income. The main reason public policy emerged was that the more responsible part of politicians and public officials felt the need to study the nature of these conflicts of particular interests systematically in order to derive recommendations on how to prevent such conflicts, avoid violent escalation, get them under control – and possibly even solve them, at least for the time being. **The discipline serves to analyze and formulate policies** – such policies that affect people’s lives in specific ways, whether by increasing their quality or by making them more difficult. Examples include transportation, health care, education, sports, housing, monument preservation, protection of nature, and a myriad other concerns.

Every day, politicians and public officials deal with problems that are not easy to solve. Is it reasonable to introduce mandatory vaccination of children against communicable diseases? While children themselves are often unable to express their opinion, many parents oppose such a policy. Should we abolish regulations that prohibit surface mining in defined areas? Such a measure would ensure new jobs and cheaper coal, but also annihilate communities where people have been living for centuries. Is it a good idea to build nuclear power stations? We are not sure how to deposit nuclear waste in a safe and permanent way. Are we better off building more kindergartens, or supporting industrial innovations? Should we devote our limited public resources to providing better pensions to seniors, or better salaries to civil servants? Or should we rather increase welfare benefits for children?

Before attempting to answer questions like these, we need to clarify how public interest can be defined.

WHAT IS MEANT BY PUBLIC INTEREST?

Leading American policy scientist Walter Lippman defines public interest as follows: “Living adults share, we must believe, the same public interest. For them, however, the public interest is mixed with, and is often at odds with, their private and special interests. Put this way, we can say, I suggest, that the public interest may be presumed to be what men would choose if they saw clearly, thought rationally, acted disinterestedly and benevolently” (Lippman 1955: 42). The concept of public interest is undoubtedly of descriptive power but also of a high value loading.

As Lane (1993) notes, there is a constant tension between the term “public” with its relation to the whole and the term “interest” with its individualist connotation. For that reason, some theorists who rely on methodological individualism and philosophical objectivism reject the term “public interests” as misleading (Kinkor 1996).

In defining public interests, one can proceed procedurally or analytically. The procedural approach is typically applied in policy practice and the analytical one in the scientific discipline of public policy.

The procedural approach to formulating public interests in a democratic society conforms to certain rules regarding debating about what the public interest is and what it is not, of reaching a consensus on such a definition, and of pursuing public interests in practice. Community, civil society institutions, law and government provide procedural mechanisms for articulating, aggregating, coordinating and, if possible, also satisfying particular interests in a form in which it starts to be useful to speak of public interests. However, an important complication is caused by competition between the particular interests of the actors who necessarily take part in this process: politicians, officials, and interest group representatives. Formulation and realization of public interest becomes the subject of negotiation and, sometimes, social or political struggle. It is an intense historical, social and political process. Of course, conflicts emerge between competing “public interests” associated with the interests of different communities or social groups.

The analytical approach to formulating public interests relies on their shared characteristics:

- they pertain to the quality of life of a given society’s members, or other values they find important;
- they can be related to the quality or the effects of the function of society as a whole;
- they are embedded historically, in a given stage of civilization development, and may change;
- they enter an arena where they clash with differentiated individual, group and institutional interests and come to be identified, articulated, acknowledged, and satisfied. The decisions adopted affect the ways public goods are produced, distributed and used; the quality of life of large social groups; and the satisfaction of the functional needs of society as a whole;
- they are related to current social problems or possible futures;
- their realization often goes beyond the competencies of a single institution or an entire department of government, or even a nation.

The benefit of the social whole is shaped by the context of competing value orientations or visions of the world. Therefore, people’s place in it comes to be defined in divergent ways. This in turn gives rise to competing values underlying different public policies.

EXAMPLE:

In debates about public finance, parliaments often see a clash between “penny pinchers,” who associate public interest with balanced budgeting, and “investors for the future,” who believe it is in public interest to support education, science and the like, even at the price of a budget deficit, because they will bring a return in future.

Efforts to promote public interests are embraced by certain types of political orientation (as well as individual orientation, as long as such individuals are well-informed) – namely on advancing the community and solving its problems. In this sense, public interests aggregate the interests of individual members of the community – they arise from the individual level. Yet the same public interests may run against conflicting interests of other individuals or groups. Thus, public interests become the subject of frequent negotiation and occasional struggles as well. There are conflicts between competing “public interests” associated with the interests of different communities or social groups. This is the point where they become the domain of public policy, which studies the processes of identifying, formulating, presenting, recognizing and satisfying the public interest.

EXAMPLE:

The lessons humanity took from the rise of totalitarian regimes after World War I provide a good example of how a new global-level public interest emerged, was formulated, and prevailed. These regimes were established in spite of existing norms of international law or traditional political mechanisms of representative democracy at the national level. All this led to the largest humanitarian disaster in the history of mankind, World War II. When WWII ended, nations quickly agreed on introducing a newly defined public interest – the general **criterion of human rights protection** – into policy documents at the international (Universal Declaration of Human Rights adopted by the United Nations (1948)) and European levels (Convention for the Protection of Human Rights and Fundamental Freedoms adopted by the Council of Europe (1950)).

However, public interests can also be generated on the basis of autonomous requirements of the function and development of larger social entities that arise from the evolution of the social division of labor and technology. Furthermore, they spread more and more across the frontiers of individual states.

EXAMPLE:

It is in the interest of all humanity to prevent a nuclear disaster. The need to minimize the nuclear threat is another example of public interest extending across national borders.

EXAMPLE:

In the age before the Internet, there was no need to ensure people's safety in the online environment. Online security exemplifies how public interests are determined historically, by a given stage of civilization development.

As another example, the rise of automobile transportation requires the construction of a public road network. That, however, may be in conflict with the interests of some groups, individuals or environmental protection. Should we authorize the construction of an expressway through a nature preserve? If the owners of the land within the expressway's corridor disagree, is the state entitled to confiscate their property?

The concept of public interest is associated with an array of similar terms that are used in different contexts. The social teaching of the Catholic Church operates with the term **common good**. Martenas (1991) uses the term **public good** as a moral umbrella term which also covers public interests. The term **general interest** is used by the European Union's Lisbon Treaty and is reflected in specific regulations covering various forms of services at the European level (The Publications Office of the European Union 2012a, 2012b). The rhetorical figure of "sacrifice for the country" is also used to denote a deed which benefits a given national community at the cost of a particular interest.

In a way, the concept of public interest plays a central role in public policy. However, one rarely comes across the term in practical use. This is because an overwhelming majority of public policies are formulated and implemented at lower levels of generalization. There, the benefit of the social whole is translated into specific objectives such as to reduce school failure or the burden of bureaucracy, to build a bicycle path or a new theatre, to expand the capacity of a shelter or of an electricity transmission network, etc.

WHAT IS MEANT BY PUBLIC POLICY?

The term "public policy" is used in two basic meanings: to refer to a scientific discipline, and to denote a social practice. When using the term, it is necessary to make a clear distinction between both meanings.

THE EMERGENCE AND DEVELOPMENT OF PUBLIC POLICY AS A SCIENTIFIC DISCIPLINE: A HISTORY

Public policy as a scientific discipline was developed in the United States after World War II. In Europe, it started to obtain significant influence around the turn of the 1960s and the 1970s, building, in some countries, on the older **disciplinary tradition of social policy**. Both disciplines indeed share a multitude of research topics and some methodological instruments. In the context of the Czech Republic, public policy has been developing since 1989,⁵ inspired by both the American and the European schools of thought.

RELATION OF PUBLIC POLICY TO OTHER DISCIPLINES

Among the disciplines that have contributed the most to public policy are philosophy, sociology, economics, political science, public administration, law, and management theory.⁶ This list can be further expanded to include the broader frameworks of history and the art of taking policy lessons from the past, anthropology and the meaning of culture, demographics with its population forecasts, or various disciplines of science and engineering that

Table A1.1 Disciplines and topics related to public policy

Discipline	Example topics
Philosophy	Logics, values and ethics, theory of justice
Sociology	Understanding society as a whole, social structure in terms of classes and other groups, social status, social problems, social interests, social exclusion
Economics	Instrumental rationality, institutional economics, cost-benefit analysis, political economy, special economic policies
Political science	Political processes, institutions and actors
Public administration	The role of bureaucracy in shaping policies and implementing decisions
Legal sciences	Law as a normative and regulatory framework
Management theory	Processes of decision making, implementation and evaluation

Source: Potůček et al. (2010: 11; adapted and expanded).

5 The history of policy studies in the Czech Republic is elaborated in more detail by Potůček (2007), Novotný (2012), Veselý, Nekola, Hejzlarová (2016).

6 For a more in-depth discussion of the disciplinary context of public policy, see Potůček, M., L. LeLoup, G. Jenei, L. Váradi (2003: 11-19).