Introduction to Public Policy

INTRODUCTION
What is Public Policy?

- Public policy is developed by governmental officials or agencies

- A policy is a purposive course of action taken to deal with a problem or concern.

- Goal-oriented or purpose action, not random or chance behavior

- Government can either prohibit or compel its citizens to act

INTRODUCTION
What is Public Policy?

Public policy may:

- Regulate behavior

- Impose taxes

- Distribute benefits

- Reduce bureaucracy

- Some combination of the above

INTRODUCTION
Some areas of public policy

- Educational policy
- Social welfare policy
- Healthcare policy
- Criminal justice policy
- Social policy
- Economic policy
- Environmental policy
- Energy policy

INTRODUCTION
What is Public Policy?

Examples:

- COVID-19 Vaccine and Tawakklna

- Impose Taxes: taxes on soft drinks and tobacco

- Permits for digging wells

- Industrial loans (Saudi Industrial Development Fund)

What government can do?

Coerce	Persuade	Educate	Strengthen	Rewards
Prohibit, compel Criminalize Jail Cease & desist	Register License, certify Report Tax Investigate Mediate	Exhort Educate Standards Study, inform Publicize Manage Coordinate	Grants, loans Equal Protection Reduce risk Transfer payments In-kind benefits	Hire & pay Contract Guarantee profit
Examples				
Ban of local firewood	Firearm registration	Media awareness campaigns	Industrial loans	Infrastructure projects

Public Policy and
the Construction Industry

- Building codes
- Zoning regulations
- Environmental regulations
- Safety regulations
- Permits requirements and process

Policy-Making Process

1. **Problem Identification:** Getting Government to See the Problem

2. **Agenda**: Getting Government to Consider the Problem

3. **Policy Formulation:** Consider Solutions

4. **Policy Adoption (Decision-making):** Adopt a Solution

5. **Policy Implementation:** Apply the Solution to the Problem

6. **Policy Evaluation:** Did It Work?

Policy-Making Process

Step 1. Problem Identification: Getting Government to See

the Problem

- Problems such as pollution, inflation, crime, poverty, etc.
- In some cases, people may need to articulate the problem to the government demanding actions

Policy-Making Process

Step 2. Agenda: Getting Government to Consider the

Problem

- Not all problems get considered on policy agenda
- A crisis event, a mass movement, or an influential leader may get an item on the policy agenda

Policy-Making Process

Step 3. Policy Formulation: Consider Solutions

- Policy options and actions are developed (should be acceptable to policy-makers)

- Involves definition of policy objectives, selection of the most appropriate policy instruments as well as their settings

- Involves internal inputs from government official and external inputs from interest groups, think tanks, individual citizens, etc.

Policy-Making Process

Step 4. Policy Adoption (Decision-making): Adopt a Solution

- The best solution (that solves the problem) is not always adopted!

- In adopting a solution, political, social, economical, and cultural factors are considered.

- Example: increasing water prices to promote conservation → may not be adopted by the policy maker due to social considerations (even if it's a proven solution)

- Policies are adopted formally in the form of laws, orders, rules, etc.

Policy-Making Process

Step 5. Policy Implementation: Apply the Solution to the Problem

- Without a proper implementation, a policy is worthless

- For successful implementation, there must be an entity with **sufficient resources**, which is able to translate the **policy objectives** into an **operational framework**

- implementation may change the nature of the policy itself!

Policy Instruments

- Techniques used by the governing authorities (government or public) to promote certain policies to achieve a predefined set of goals

- It is a linkage between policy formulation and policy implementation

Types of policy instruments

Regulatory instruments	Compulsory regulation, bans, standards, limits
Planning instruments	Regional planning, land-use, urban planning
Market-based instruments or economic instruments	Revenue-generating instruments (taxes, charges) Subsidies (direct payments, tax allowances) Property rights (licenses, tradable permits) Others (user benefits, environmental liability, payments for ecosystem services)
Public investments	Infrastructure investments, procurement, R&D spending
Cooperation-based instruments	Voluntary commitments, negotiations, networks
Information-based instruments	Information campaigns, education, advisory services and capacity building, labelling, environmental reporting, environmental monitoring, access to information and justice rights

Policy-Making Process

Step 6. Policy Evaluation: Did it work?

- Interested parties (within and without the government) monitor the impact of the policy and determine if it is achieving the intended goals

- For successful implementation, there must be an entity with **sufficient resources**, which is able to translate the **policy objectives** into an **operational framework**

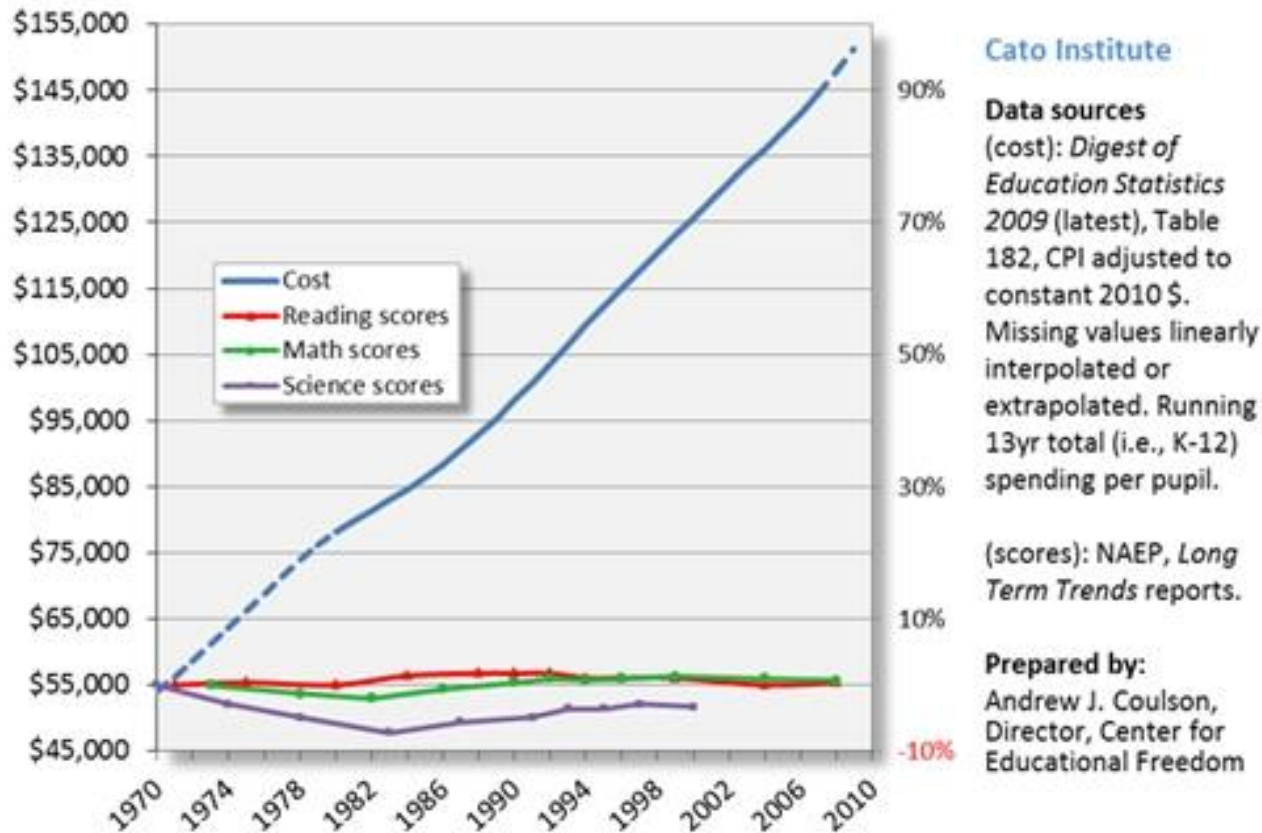- Implementation may change the nature of the policy itself!

Policy-Making Process

Step 6. Policy Evaluation: Did it work? *(contd.)*

- Questions we ask: What was the policy content? What was the output, the outcome, the impact? Did it work? To what degree were the objectives of the policy met? To what extent was the problem solved?

- Good intentions is not enough!

Step 6. Policy Evaluation: Did it work?

Figure 3. Inflation-Adjusted Cost of a complete K-12 Public Education, and Percent Change in Achievement of 17-Year-Olds, since 1970
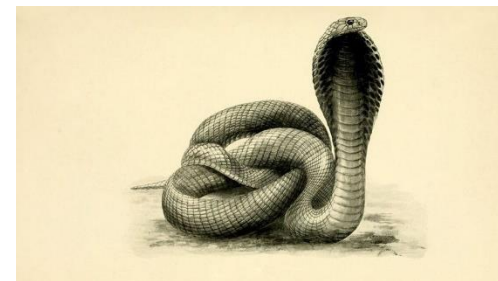
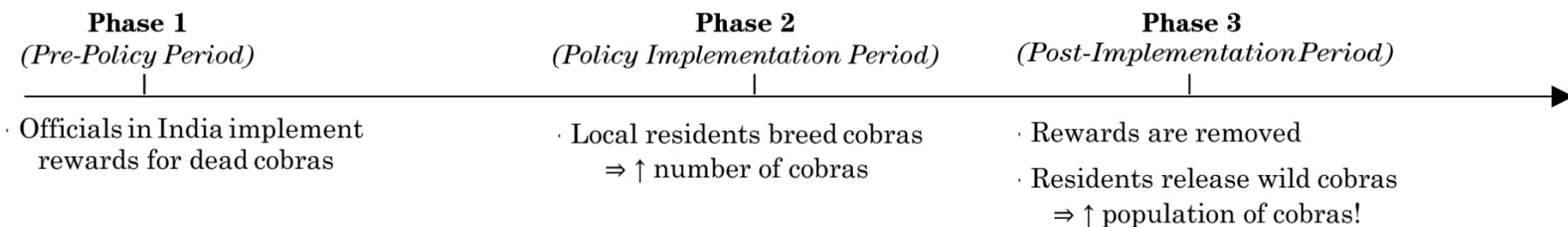## Education Spending vs. Performance

Step 6. Policy Evaluation: Did it work?

- *Policy spillover:* when a policy aims to solve one problem, affects (or creates) another problem

- A policy may also have *Unintended Consequences* since human behavior is complex and often unpredictable

Famous Example: the Copra Effect!

- When the proposed solution to a problem ends up ***worsening*** the problem

- The story: To reduce Delhi's cobra population → local policymakers issued a reward for dead cobras

- The local citizens started breeding cobras in order to obtain rewards

- Once policymakers realized the situation, they removed the reward → the citizens released their worthless cobras → cobra population ***increased!***

Phase 1 *(Pre-Policy Period)*	**Phase 2** *(Policy Implementation Period)*	**Phase 3** *(Post-Implementation Period)*
· Officials in India implement rewards for dead cobras	· Local residents breed cobras ⇒ ↑ number of cobras	· Rewards are removed · Residents release wild cobras ⇒ ↑ population of cobras!

Another Example:
Air Pollution Reduction in Mexico City

- In 1989, the government of Mexico City tried to control air pollution by banning most drivers from driving their vehicle one weekday per week.

- This policy is still in place today.

- Violators of this policy were charged a large fine.

- The policy backfired: Many drivers bought another car—often a used, high emissions car, which ended up worsening the pollution

Class Activity: Policy for
Sustainable Buildings and Construction in Saudi Arabia

- What is the problem?

- What would be the objectives of the policy?

- What are the proposed policy instruments?

- Any social or economical concerns?

- What are the possible unintended consequences?

Class Activity: Policy for
Sustainable Buildings and Construction in Saudi Arabia

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Building Sustainability

- https://www.mostadam.sa/page/86