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Public Policy

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The single greatest concern of public policy is how to achieve societal goals. As the modern state has assumed the responsibility, through some form of social contract, to advance societal goals, public policy becomes a question of what government chooses to do or not do. One of a society's goals can be the alleviation of poverty, which closely connects with public policy. In the distribution of resources, the public policy approach places central agency on the state, as the collective space of citizens, to advance the common good, compared with the market approach, which emphasizes the self-interest of citizens. In this endeavor, public policy examines both the intentions (as delineated in the constitution, legislation, administrative orders, parliamentary debates, election manifestos, policy documents, discourses in the media, and budgets) as well as the actions (how intentions are translated through schemes and programs; court judgments; interaction of bureaucrats, politicians, and citizens; expenditures; and unintended outcomes).

There are two branches within public policy—policy studies and policy analysis. Orientation, approaches, and utility of both branches for poverty reduction are qualitatively different. While policy studies appreciates the complexity of policy dilemmas and has theoretical aims, policy analysis is focused on providing value-laden advice to clients so they can make a decision. At the same time, both branches coexist in a spirit of creative tension.

The first part of this article will examine how both branches have evolved simultaneously by outlining the evolution of public policy. The second part of the article will describe how multiple approaches of public policy address the problem of poverty.

Origin and Growth as a Discipline

Public policy as now practiced is as old as organized human living and was particularly important during the rise of kingdoms. Each advisor to the king was performing the role of policy prescription. This development is well documented in the Jewish scriptures, where the lives of Egyptian and Israeli kings are documented. In India's Mauryan Empire (322–185 b.c.e.) the ruler had a well-known adviser whose precepts were later codified as Kautilya's *Arthashastra,* which contained well-developed principles to govern a country, such as how to impose taxation or wage war. In China's Qin dynasty (221–206 b.c.e.) an elaborate, centralized bureaucracy advised the emperor on how to implement standardized government systems. Plato's *Republic* and Niccolò Machiavelli's *The Prince* also contain exemplary ideas about what governments must and must not do.

The emergence of public policy as a discipline of academic study is relatively recent. The seeds for the growth of this discipline were sown by two strands of intellectual contributions. The first strand focused on the nature of the state and its normative functions, as outlined by classical thinkers such as Thomas Hobbes (1588–1679), John Locke (1632–1704), and John Stuart Mill (1806–73). The second strand was created by pragmatic philosophers such as Charles Peirce (1839–1914) and John Dewey (1859–1952), whose ideas inspired the pursuit of context-specific problem solving. Interactions of these two strands symbiotically discomforted the traditional approaches of the discipline of political science in its disconnectedness with real-world problems and politics.

Political scientists such as Charles Merriam (1874–1953) and Harold Lasswell (1902–78) spearheaded the criticism and ushered in the beginning of the discipline of public policy. At the same time, some of the pressing problems that the world faced in the 20th century, including the Great Depression of the 1930s; the reconstruction of defeated states after World

War II; and plans for developing nations such as Russia, China, and India, required practical and implementable solutions. It is in this context of "experts" providing solutions to the leaders of the state that public policy began to thrive. There is an agreement among the scholars of public policy that its origins can be traced to the 1930s, when sophisticated, technocratic tools (particularly economic forecasting and cost-benefit analysis) began to be employed in government decision making.

However, it was Harold Lasswell's seminal paper "The Policy Orientations" (1951) that is considered the watershed of the discipline of public policy. The essential features that Lasswell suggested in this paper still inform the core of what constitutes the discipline. These are a problem-oriented approach to inquiry and prescriptions, a multidisciplinary approach to the development of solutions, value orientation, and methodological and theoretical sophistication. However, as democracy deepened and citizens' voices strengthened, Lasswell's focus on policy prescription by experts diminished. Rather, persuasion to accommodate multiple voices took the center stage.

As the discipline advanced, a number of attempts were made to provide a theoretical foundation. The first attempt was to understand public policy through its stages of development. This led to the understanding of policy process as agenda setting, policymaking, implementation of programs, and evaluation of policies. The second attempt at theorization was classifying policies as distributive, redistributive, and regulatory. Distributive policies target specific categories of individuals, such as female-headed households. Redistributive policies target a broader group of people through schemes such as social security or income tax exemptions. Regulatory policies attempt to influence the behavior of individuals by institutionalizing sanctions and incentives with an aim of increasing the cost of violating public laws. In all these types of antipoverty policies, particularly in distributive and redistributive policies, one needs to pay attention to what tax is levied and what tax is exempted to finance government interventions.

Poverty and Public Policy

Public policy approaches to address the problem of poverty have been contentious in the same way the debates on causes, effects, and remedies of poverty have been contentious. At the core of this contention is the difficulty of precisely defining what is "good" in the context of "wicked problems" emerging in plural societies. As Deborah Stone argues in *The Policy Paradox*, there is no universal definition of the key guiding values of public policy—equality, efficiency, security, and liberty. What is practically applied in each context is seen as a trade-off between competing values. Therefore, the policy context is a key determinant as to what kind of policy approach may be adopted to address poverty.

There are three constitutive elements in the policy context—ideas, institutions, and actors. First, ideologies and ideas shape public sentiment as to how far poverty is to be addressed by the government or left to the poor people to solve themselves. For instance, the question of whether universal health coverage is a desirable targeted program is dependent not merely on the government's fiscal position, but also on which ideas are acceptable in a particular geographic space and time period. Second is the interplay of economic and political institutions. In the realm of economic institutions, capitalist regimes argue for growth-led poverty reduction compared to socialist regimes, which argue for support-led poverty reduction. The form of political institutions (authoritarian or democratic) and the quality of these institutions (their participative nature through checks and balances) play a key role in policy processes. Third, a range of actors (bureaucrats, elected politicians, the judiciary, the media, lobbying groups, international organizations, think tanks, consultants) influence policies at both the design stage and the implementation stage of antipoverty policies.

The policy context in its complex interaction produces unique responses to poverty. An instructive example is comparing the emergence of the “welfare state” in Europe with that of the global south. The combination of the growth of social democracy and capitalism in the European context produced a conducive environment for the development of the welfare state. Otto von Bismarck’s introduction of an insurance program for the workers in Germany in the 1880s, and its eventual acceptability across European countries in the light of enlightenment values, is unique, but has its variations among European countries, as demonstrated by Gøsta Esping-Andersen. Redistributive taxation of the welfare state model which funded old age pensions, insurance, health care, and unemployment benefits are together called “social policy” in the European context.

Consider a different context, such as the low-income countries in Africa and Asia. In both these places poverty has been rampant. The development of democracy and capitalism has also occurred at a different level than in Europe. Policy response to poverty in these countries is largely termed “development policy” referring to the focus on structural issues that produce and reproduce poverty and inequality. These structural issues are about increasing food production to deal with the issues of hunger and malnutrition, improving infrastructure and security, improving the status of education and health care to create human capital, and enforcing human rights to protect the powerless (socially and economically) groups from exploitation and violence.

President Franklin Delano Roosevelt (left) broadcasts on the seventh anniversary of the Agricultural Adjustment Act (AAA), March 8, 1940. The AAA was a New Deal–era public policy that paid farmers subsidies to reduce agricultural production, which was designed to raise prices. Public policy scholars generally concur that the origins of public policy were planted in the 1930s, when pressing problems such as the Great Depression prompted more sophisticated, technocratic tools to be used in government decision making. **(Library of Congress)**

Despite these different approaches, certain robust principles have guided public policy decisions when the question of poverty is addressed. Among the most important of these are the principles of welfare economics. This tradition is a fallout of rationalist policy design and analysis. The underlying principle for policy action, according to the fundamental principle of welfare economics, is social choice. The most efficient distribution in society maximizes social welfare. Therefore, to ensure distribution, government will have to intervene when market failure occurs through natural monopoly or information asymmetry. Government action is also required when externalities to markets surface through undersupply or oversupply of goods. Public goods, which are likely to be subjected to "open access" problems, are to be efficiently utilized through government intervention. These interventions lead to the reduction of poverty.

While welfare economics and its emphasis on the rational choice approach make a strong separation between the market and the state, a number of approaches have questioned the rational basis of policymaking. Particularly noteworthy are the contributions by anthropologists who have shown how policies are social technologies of power. Compared to a rational model, public choice prefers policies that facilitate market-like conditions for the provision of public goods and services. Within this framework, public policy initiatives by the state that aim to reduce poverty are also shaped and guided by private and social players.

A third approach emphasizes incrementalism or "muddling through." This is because, for a policymaker, a vision of the future, rather than past experience, is the guiding light. To achieve the vision of a fair society, policies are incrementally designed. However, in the process of muddling through, the policy actor is influenced by his or her bounded rationality as to what has worked better or worse in the past for reducing poverty.

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See Also: Antipoverty Programs, Rural; Economic Growth and Poverty Reduction Strategy; Equity and Efficiency Tradeoff; Millennium Development Goals; Technology and Public Policy.

Further Readings

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