



Making Public Policy

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Page 1 of 12

Domestic Policy

- Public Policy Making Defined:
 - When government decides to take action in response to problems or issues raised by people or groups as they operate in our political system

Stages in the Policy Process

- **issue identification**
 - Attention that prompts the need for government action
- **agenda setting**
 - Government begins to give serious consideration
- **policy formulation**
 - Development of possible solutions; consideration of several alternatives
- **policy adoption**
 - Deciding on a particular alternative or set of alternatives

Stages in the Policy Process

■ **policy implementation**

- The policy can change quite dramatically during this stage.

■ **policy evaluation**

- how well did or does the policy work?
- The information obtained from this stage will feed back into the policy formulation stage.

Models of policymaking

■ Rational model

- Systematic gathering of evidence; similar to the scientific method
- Often not suitable to the actual nature of governmental decision making.
- Often hard to agree upon what the problem actually is
- Often hard to agree on how best to solve the problem
- Often there are simply too many limits to what we know.

Models of policymaking

■ Incremental Model

- Policymaking made one small step at a time, not leaps and bounds.
- Good alternative policies are ignored; adjustments made at the margin.
- Consistent with the way our democratic system works.
- Past steps taken given insights into future courses of action.
- Biggest shortcoming - some potentially good policies get neglected.

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Models of policymaking

■ Pluralist Model

- policy is an outcome of bargaining among interest groups

■ Elitist Model

- Public policies are made by "elites"
- Examples? Iron Triangle? Issue Networks?

Economic Policy

- **I. Monetary** - (control over the money supply)
 - Tight supply - - interest rates tend to be high; low inflation
 - Loose supply - interest rates tend to decline and inflation increases

- **Role of the Federal Reserve System** -
 - 12 Regional banks
 - Governed by a Federal Reserve Board
 - The discount rate (prime rate)

Economic Policy

■ II. Fiscal Policy

- Involves how much the government spends and taxes.
- Involves “counter-cyclical” spending patterns

Economic Development Policies

- **Tariff vs free trade** -
- **Tax incentives** - tax breaks to promote economic development
- **Industrial policies** - government subsidization
- **Supply-side policies** - cutting taxes to stimulate investment; deregulation of industry



Economic Regulatory Policies

- Benefits

- Disadvantages

Social Welfare Policy

- Four Strategies to Deal with Poverty
 - **Punitive**
 - **Preventive** – (social insurance)
 - **Alleviative** - (public assistance)
 - **Curative** - (Rehabilitation, not relief)