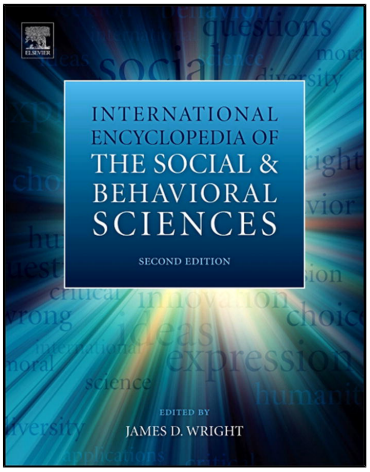

From Howlett, M., Giest, S., 2015. Policy Cycle. In: James D. Wright (editor-in-chief), International Encyclopedia of the Social & Behavioral Sciences, 2nd edition, Vol 18. Oxford: Elsevier. pp. 288–292.
ISBN: 9780080970868

Policy Cycle

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Abstract

Analyzing policy development in terms of policy cycles and policy styles is useful for several reasons. Not only does it help to make sense out of the different models put forward earlier in the history of policy studies, such as the rational, incremental, and garbage can models of public policy decision making, it also helps to advance studies of these models by specifying the conditions under which different styles of policy making occur. This article sets out the logic of the policy cycle model and justifies its five-stage vision of that process.

The Policy Cycle Model of the Policy Process

The idea that the policy process can be thought of as a series of steps in a cyclical model of decision making was first broached systematically in the work of Harold Lasswell, a seminal figure in the development of the policy sciences at the University of Chicago and Yale University in the early 1950s (Lasswell, 1956, 1971). At present, a five-stage model of the policy process is the most commonly used, although many other versions exist with more fewer substages. In this model, 'agenda setting' refers to the first stage in the process when a problem is initially sensed by policy actors and a variety of solutions put forward (*see* Agenda Setting, Public Policy in). 'Policy formulation' refers to the development of specific policy options within government when the range of possible choices is narrowed by excluding infeasible ones and efforts are made by various actors to have their favored solution ranked highly among the remaining few. 'Decision making' refers to the third stage in which formal actors in government adopt a particular course of action. In the fourth stage of 'policy implementation,' governments put their decisions into effect using some combination of the tools of public administration in order to alter the distribution of goods and services in society in a way that is broadly compatible with the sentiments and values of affected parties. Finally, 'policy evaluation' refers to the fifth stage in the processes in which the results of policies are monitored by both state and societal actors, often leading to the reconceptualization of policy problems and solutions in the light of experiences encountered with the policy in question and the start of a new iteration of the cycle (Howlett et al., 2009).

This idea of policy making existing as a set of interrelated stages provides a general 'framework' for understanding the policy development process and points to several of the crucial temporal activities and relationships that should be examined in furthering the study of the issue. Although a useful conceptual or analytical tool, the policy cycle model has some limitations as an empirical description of policy-making reality due to its simplification of highly contingent and complex policy processes. The reality of policy making is not as systematic and linear as the model might suggest. Also, the stages are often compressed, skipped, or change their order entirely. For example, policy formulation can sometimes precede agenda setting, as 'solutions seek problems' to which they can be applied (Kingdon, 1984; Howlett et al., 2009). It also does not answer several key questions such as the actual substance of policy, the number and type of relevant actors involved in the process, the exact manner and sequence in which actual policy development processes occur, and whether there exist basic patterns of development in different issue areas, sectors, or jurisdictions (Sabatier, 1991).

Overall, when using the policy cycle idea, diligent attention has to be paid to the fact that the model is a guideline for the analysis of a far more complex reality.

Styles of Policy Behavior in the Policy Cycle

Empirical studies of policy-making processes undertaken to answer these questions and generate more precise models of the policy-making process have developed more specific knowledge about the interactions of policy actors at each stage of the cycle, summarized below. These draw attention to the limited number of common modes, or *styles*, which characterize policy processes throughout the world. A policy style is also often part of a larger 'policy regime' that emerges over time and includes not only how policy deliberations take place, but also the kinds of actors and ideas present. As such, it is useful in identifying long-term patterns in content and process of public policy making (Howlett et al., 2009). Common policy styles at each stage of the policy cycle characterize the principal components of policy dynamics. A policy style describes how governments go forward during, for example, the agenda-setting stage and which effects result from that stage for the ongoing policy-making process. They are tools for understanding the problem-solving directions of actors in the cycle and for revealing the institutional routines and procedures underlying policy processes.

Agenda Setting

In the scholarly literature on agenda setting, a useful distinction is drawn between the *systemic* or unofficial public agenda and the *institutional* or formal, official, agenda. The systemic agenda "consists of all issues that are commonly perceived by members of the political community as meriting public attention and as involving matters within the legitimate jurisdiction of existing governmental authority" (Cobb and Elder,

International Encyclopedia of the Social & Behavioral Sciences, Second Edition, 2015, 288–292

1972, p. 85). This is essentially a society's agenda for the discussion of public problems, such as crime or health care, water quality or wilderness preservation. The formal or institutional agenda, on the other hand, consists of only a limited number of issues or problems to which attention is devoted by policy elites (Baumgartner and Jones, 1991; Kingdon, 1984).

Research conducted by John Kingdon into the dynamics of agenda setting in the US Congress in the early 1980s focused on the timing of agenda entrance. In his work, he focused on the role played by policy entrepreneurs both inside and outside governments in taking advantage of agenda-setting opportunities – policy windows – to move items onto formal government agendas (Kingdon, 1984). Kingdon argued that the characteristics of issues (the problem stream) combined with the characteristics of political institutions and circumstances (the politics stream) and the development of policy solutions (the policy stream) lead to the opening and closing of opportunities for agenda entrance. Such opportunities can be seized upon or not, as the case may be, by policy entrepreneurs who are able to recognize and act upon them. The policy windows resulting from this include routine, spillover, discretionary, and random types (Kingdon, 1984). Empirical evidence suggests that the frequency of occurrence of the window types varies by level of institutionalization – with the most institutionalized types occurring much more frequently than the least institutionalized. This lends the model a degree of predictability in terms of the occurrence and type of policy window.

Almost 40 years ago, the American political scientists Cobb, Ross, and Ross developed a model of typical agenda-setting styles. In their analysis, they argued that three basic patterns of agenda setting could be discerned, distinguished by the origins of a policy issue as well as the resources utilized to facilitate its inclusion on the policy agenda. In the outside initiation pattern, "issues arise in nongovernmental groups and are then expanded sufficiently to reach, first, the public [systemic] agenda and, finally, the formal [institutional] agenda" (Cobb et al., 1976). The *mobilization* case is quite different and describes 'decision-makers trying to expand an issue from a formal to a public agenda.' In this model, issues are simply placed on the formal agenda by the government with no necessary preliminary expansion from a publicly recognized grievance. In the third type of agenda setting, inside initiation, influential groups with special access to decision makers initiate a policy and do not necessarily want it to be expanded and contested in public.

Policy Formulation

Studies of policy formulation have emphasized the importance of actors interacting to develop and refine policy options for government (Freeman, 1955; Linder and Peters, 1990). But unlike agenda setting, where many members of the public may be actively involved, in policy formulation the relevant policy actors are typically restricted to those who not only have an opinion on a subject, but also have some minimal level of knowledge that allows them to comment, at least hypothetically, on the nature and feasibility of options put forward to resolve a policy problem.

The power of ideas and their stability in policy subsystems, in particular, has been a subject of much attention in studies of policy formulation in recent years. Carstensen (2011), for example, has suggested that ideas change incrementally, when new elements of meaning are added to them, resulting in a characteristic process of policy formulation in which similar ideas inform similar policy options developed over long periods of time. Focusing on the information or knowledge available to decision makers has led policy research in this vein to focus on the role of epistemic or policy communities in policy formulation (see Haas, 2012). These are loose groupings of experts who serve as knowledge 'providers' for the decision-making process – opening up opportunities for them to influence the content and timing of policies (Dunlop, 2009, p. 290; Haas, 1992).

Scholars over the years have developed a variety of taxonomies to help identify who the key actors in these policy subsystems are, what brings them together, how they interact, and what effect their interaction has on policy development. Most of these distinguish between a larger set of actors with some knowledge of the policy issue in question, and a smaller set in which actors not only have requisite knowledge, but also have established patterns of more or less routine interactions with each other (Knoke, 1993).

Membership in knowledge-based policy *communities* extends to actors such as state policy makers (administrative, political, and judicial), members of nongovernmental organizations concerned with the subject, members of the media who report on the subject, academics who follow or research the area, and members of the general public who, for whatever reason, have taken an interest in the subject (see Thatcher, 2012, Issue Networks: Iron Triangles, Subgovernments, Policy Communities, Policy Networks, Sabatier, 1987). In many issue areas, the policy community also involves members of other organizations such as businesses, labor unions, or various formalized interest groups and even international actors such as multinational corporations (Haas, 1992). A subset of these actors who interact within more formalized institutions and procedures of government are defined as members of *policy networks* (see Coleman, 2012, Policy Networks). These policy networks include representatives from the community, but are 'inner circles' of actors, who effectively hold the power to veto or disparage many policy options as untenable or infeasible.

In this view, the likely results of policy formulation are contingent upon the nature and configuration of the policy community and network in the specific sector concerned. A key variable that many observers have argued affects the structure and behavior of policy networks is their number of members, which affects aspects of networks such as their level of integration and the types of interactions members undertake with each other (van Waarden, 1992). What is important for policy communities, on the other hand, is not the number of participants in the community so much as the number of relatively distinct 'idea sets' that exist within it. This affects the nature of conflict and consensus that exist in the community and, as a result, impacts the behavior of community actors.

In open subsystems where networks have many members and communities share many idea sets, it can be expected

that a propensity for new, radical alternatives to the status quo may be generated in the policy formulation process. In closed subsystems, where networks have few members and communities are dominated by a single idea set, on the other hand, a status quo orientation is likely to emerge in the policy options developed and put before decision makers.

Although the networking framework has been criticized as being primarily a descriptive metaphor, due to the fact that "the independent variables, (of policy-making) are not network characteristics per se but rather characteristics of components within the networks" (Dowding, 1995, p. 137), it provides a general mechanism to organize the complex reality of multiple actors, institutions, and ideas found in policy formulation and generates a relatively parsimonious model of formulation styles (Howlett et al., 2009).

Decision Making

Many early studies of policy making in companies, governments, and organizations, conducted largely by the students of public and business administrations, argued decision makers attempt to follow a systematic method for arriving at logical, efficient decisions. They argued that policy makers achieved superior results when they first established a goal, explored alternative strategies for achieving it, attempted to predict its consequences and the likelihood of each occurring, and then chose the option that maximized potential benefits at least cost or risk (Cahill and Overman, 1990).

This model was 'rational' in the sense that it prescribed a standard set of procedures for policy making, which were expected to lead in all circumstances to the choice of the most efficient means of achieving policy goals. Such pure 'rational' models of decision making often thought of policy makers as neutral 'technicians' or 'managers,' who after identifying a problem would find the most effective or efficient way of solving it. Many of the latest efforts to enhance the efficiency and effectiveness of public policy decision making, such as the 'evidence-based policy movement' (*see* Policy Analysis: Evidence-Based Policy Making), focus on the application of a systemic evaluative rationality to policy problems in classic rational style.

Empirical research into decision-making processes, however, has discovered that political processes of bargaining and negotiation often outweigh 'rational' deliberations and calculations of costs and benefits in public policy decision making. Policy makers were often found to be neither necessarily neutral nor competent and other models of the public policy decision-making processes have argued this is not an accidental situation but rather an inherent and unavoidable characteristic of the policy-making exercise. Therefore, critics of the rational model, such as Herbert Simon, noted that there are definite cognitive limits to the decision makers' ability – 'bounded rationality' – to consider all possible options, which forces them to selectively consider alternatives. 'Satisficing' behavior, in which decision makers did not consider all options in an effort to maximize policy impact but rather simply agreed on a path that they found 'satisfactory,' was argued to better reflect the reality of decision making in a public policy context (Simon, 1955; Smith and May, 1980).

The well-known incremental model of policy making developed by Yale University political scientist Charles Lindblom incorporated these insights into the best known alternative to the classic rational model (Dahl and Lindblom, 1953; Lindblom, 1959). Lindblom summarized the elements of his model as consisting of 'mutually supporting set of simplifying and focusing stratagems.' These resulted, as he put it in his oft-cited 1959 article on "The Science of 'Muddling Through,' in decision makers working through a process of 'continually building out from the current situation, step-by-step and by small degrees' or 'increments'" in which policies were invariably developed through a process of 'successive limited comparisons' with earlier ones with which decision makers were already familiar (Lindblom, 1959).

Taking these insights into account, Braybrooke and Lindblom (1963) argued that different styles of decision making could be discerned depending upon the amount of knowledge at the disposal of decision makers, and the amount of change the decision involved from earlier decisions. Other authors, like Graham Allison, also developed similar models of distinct decision-making styles (Allison, 1971), but did not specify in any detail the variables that led to the adoption of a particular style.

Attempting to improve upon these models, John Forester (1984) suggested that decision making was affected by the number of agents involved in a decision, their organizational setting, how well a problem is defined, the information available on the problem, its causes and consequences, and the amount of time available to decision makers to consider possible contingencies and their present and anticipated consequences. In this model, decision makers situated in complex subsystems are expected to undertake adjustment strategies while those dealing with simple configurations of actors and ideas will be more prone to undertake search-type 'rational' strategies. The nature of the decision criteria, on the other hand, varies with the severity of the informational, time and other resource constraints under which decision makers operate. Hence, decision makers faced with high constraints will tend to favor satisficing over optimization, itself an outcome more likely to occur in situations of low constraint.

Policy Implementation Styles

Generally speaking, comparative studies have shown that governments tend to develop specific implementation styles as they go about the course of their business (Knill, 1998; Hawkins and Thomas, 1989; Kagan, 1991). These styles combine various kinds of policy instruments – such as public enterprises, regulation, or public consultation – into a more or less coherent whole, which is consistently applied in specific sectors of government activity – such as health policy or industrial policy. These policy tools provide the substance or content needed to implement what was planned in the formulation stage and decided upon afterward (Salamon, 1989).

These tools fall into two types. *Substantive instruments* such as regulation or public enterprises are those directly providing goods and services to members of the public or governments. They include a variety of tools or instruments relying on different types of governing resources – such as money, information, authority, or organizational resources (Hood,

1986) – for their effectiveness. *Procedural instruments*, on the other hand, such as public hearings or commissions of inquiry, are different from substantive ones in that their impact on policy outcomes is less direct. Rather than affect the delivery of goods and services, their principal intent is to modify or alter the nature of policy processes themselves.

Studies such as the work of Gunningham et al.'s (1998) 'smart regulation' led to the development of efforts to identify complementarities and conflicts within instrument mixes or tool 'portfolios' involved in more complex and sophisticated policy designs. Each tool mix decision combines advantages and disadvantages of each tool in its relationship to other tools as well as the effect it has on costs and benefits for government.

Why a particular combination of procedural and substantive instruments is utilized in particular policy issue areas is a key question affecting implementation and implementation studies. The preferences of state decision makers and the nature of the constraints within which they operate are among the factors affecting policy implementation and instrument choices that lead to the development of specific preferences or styles (Freeman, 1985). A state must have a high level of administrative capacity, for example, in order to utilize authority, treasure, and organization-based instruments in situations in which they wish to affect significant numbers of policy targets. When it has few of these resources, it will tend to utilize instruments like incentives or propaganda or rely on existing voluntary, community, or family-based instruments (Howlett et al., 2009). Similarly, a key feature of procedural instrument choice is a government's capacity to manipulate policy subsystems (Mayntz, 1975).

Policy Evaluation Styles

The last stage of the policy cycle is policy evaluation. For many early observers, policy evaluation was expected to consist of assessing if a public policy was achieving its stated objectives and, if not, what could be done to eliminate impediments to their attainment. Thus David Nachmias (1979) defined policy evaluation as "the objective, systematic, empirical examination of the effects ongoing policies and public programs have on their targets in terms of the goals they are meant to achieve." However, while analysts often resorted to concepts such as 'success' or 'failure' to conclude their evaluation, Ingram and Mann (1980) caution that such concepts are slippery and often highly subjective. That is, public policy goals are often not stated clearly enough to find out if and to what extent they are being achieved, nor are they shared by all key policy actors.

What is significant in the evaluative process is thus not so much ultimate success and failure, but that policy actors and the organizations and institutions they represent can *learn* from the formal and informal evaluation of policies in which they are engaged. This can lead them to modify their positions in the direction of greater substantive or procedural policy change, or it can lead them to resist any alteration to the status quo.

Policy evaluations do not necessarily result in major policy change. That is, while the concept of evaluation suggests an implicit 'feedback loop' is an inherent part of the policy cycle, in many cases this loop may not be operationalized or may result in only incremental changes to the status quo (Pierson, 1993). Path dependence, in which policies are set on 'trajectory' following some 'critical juncture' can hinder policy change and learning (Pierson, 2000). Organizational–institutional designs which limit 'absorptive capacity' are also often seen as barriers to learning from policy evaluations.

A significant variable in this regard is the capacity of an organization to absorb new information (Cohen and Levinthal, 1990). Only when state absorptive capacity is high would one expect any kind of learning to occur. If a relatively closed network dominates a policy subsystem, then learning is likely to be restricted to some form of 'lesson drawing,' in which policy makers draw lessons from past uses of specific policy instruments (Rose, 1991). Open subsystems allow for 'social learning' when administrative capacity is high and more informal evaluation takes place among all those affected by a policy (Howlett et al., 2009; Bennett and Howlett, 1992).

Conclusion: Policy Development as Policy Style

As Lasswell noted in the 1950s, envisioning policy development as a staged, sequential, and iterative process is a useful analytical and methodological device. Methodologically, such an approach reduces the complexity of public policy making by breaking down that complexity into a small number of stages and substages, each of which can be investigated alone or in terms of its relationship to any or all the other stages of the cycle. The policy cycle idea also helps to answer many key questions about public policy making regarding the effectiveness of different tools and the identification of bottlenecks in policy processes. The stages model allows for the identification of specific actors and actions in different phases of tackling a problem, which makes it easier to measure the impact of key variables on policy outcomes and to identify existing policy process styles.

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