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# **Effectively communicating economics to policy makers\***

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Many economists are concerned with communicating the results of economic analysis or the implications of economic theory to policy makers. Our effectiveness in doing this varies widely for different individuals and different issues. The present paper is an attempt to provide practical advice to enhance this effectiveness. It considers policy adoption in the light of published literature about the adoption of innovations by small business managers. A small survey of policy makers and policy advisors was conducted, providing a number of practical tips and insights.

## **1. Introduction**

Economists considering the decisions and choices of policy makers have tended to adopt approaches based on public choice theory, in which voters, politicians, interest groups and bureaucrats are assumed to pursue individual, self-interested preferences (e.g., Downs 1957; Buchanan and Tullock 1962). The emphasis in public choice theory is on explaining policy outcomes, rather than the policy process. While these efforts can be interesting and enlightening, they do not offer much practical help to an economist wishing to influence policy choices. The present paper comes from a different though complementary perspective, emphasising engagement with the process of policy formation. It is based on a view of policy makers and policy advisers as individual decision makers, and the process of policy choice as one involving information, uncertainty, persuasion, disagreement, and networks of disparate individuals and groups. Political considerations are included as part of the mix, but are subject to similar uncertainties and disagreements as any other component and are, therefore, subject to being influenced by effective policy advocates.

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The present paper commences with the proposition that uptake of policy recommendations has much in common with adoption of innovations by small business managers, which has been extensively researched. I present some general findings from that literature with relevance to the policy choice process. The second element of the paper is based on the practical experiences of those involved in the policy process. I present results from a small survey of Australian policy makers and policy advisers and draw on some previously published ideas. The paper includes discussion of common strengths and weaknesses of economists when engaged in the policy process.

The aim is to provide practical insights and advice to those attempting to inform and influence policy development. Some of the information is specific to economists, but much of it is more generally relevant to any participant in a policy choice process.

## **2. Policy choice conceived as a process of adoption of innovations**

In 2000, I commenced serious efforts to communicate with policy makers for natural resource management in Australia, both nationally and in several states. In doing so, I drew on my past experiences in studying the adoption of innovative practices by small business managers (farmers). I came to feel that there are many parallels between communication intended to promote the adoption of changed practices by businesses and communication intended to promote the adoption of changed policies by governments. The published literature on adoption of innovations includes thousands of articles (e.g., see reviews and overviews of the published agricultural literature by Lindner 1987; Feder and Umali 1993; Pannell 1999; Marra *et al.* 2003). Several different discipline areas have studied the topic, including economics, sociology, marketing and psychology.

### **2.1 A few generalisations about adoption of innovations**

Studies of the adoption of innovations have reached strikingly variable conclusions about the influence of specific variables, such as the age of the potential adopter (Lindner 1987), but there is sufficient consistency to be able to identify some important general findings. The following generalisations are selected for their relevance to policy innovations.

1. Most potential adopters considering an innovation are sensibly cautious. They do not rush in, but they seek information to improve their eventual decision about the innovation. This is one of a number of reasons why the process of adoption of an innovation is often slow.

2. Where decision makers do not have personal experience with an innovation, they rely to some extent on external sources of information. However, the experiences of other adopters are only of partial relevance (and sometimes of low relevance). Therefore, as decision makers gain personal experience, this tends to have a dominant influence on their perceptions and their actual behaviour. This means that policy analysts are more likely to have an influence early in the policy debate, while perceptions are still loosely formed.
3. External sources of information are given more or less weight depending on factors such as the expertise and credibility of the information source, the relevance of the external information to the decision maker's circumstances, and the number of external sources reinforcing the message with similar information. These points are reinforced by the published literature on persuasive communication (e.g., Cialdini 1993; Hogan 1996), and by the results of a survey of policy players presented later.
4. Apparently misguided decisions to adopt or not adopt an innovation can often be easily understood and seen as reasonable if one makes the effort to learn about the objectives and perceptions of the individual decision makers involved.
5. Many factors influence the speed of adoption of an innovation. Key ones include:
  - The extent to which adopting the innovation is actually superior to maintaining existing practice (this depends on a great diversity of issues, and is often difficult to determine in advance)
  - The ease with which the innovation can be observed and evaluated
  - The number of other potential adopters who have already adopted it, and the similarity and proximity of those actual adopters to those who are now considering adoption
  - The intensity and quality of efforts to promote the innovation

These insights help the analyst to understand, at least partly, a policy maker's likely response to information that he or she is given about a policy innovation, and they give hints about effective strategies for presenting such information.

I have emphasised the relevance to policy of the published literature on innovation adoption by small businesses. However, it is also true that there are some important differences in the policy sphere. One difference stands out: to a much greater extent, small business managers can act independently and individually, based solely on their own judgements, whereas policy makers have to be concerned about the judgements of many others. This means that the actual policy adopted is likely to be a compromise that fully satisfies very few. Second, the population of small business managers is

vastly greater than the population of policy makers, so the predictability of policy outcomes is probably lower.

This section was intended to provide readers with a loose conceptual framework for considering the choices made by individual policy makers. The following section provides detail on the policy process that can be helpfully considered within this framework.

### 3. Voices of experience

In May 2002, a survey was distributed by email to 21 people in Australia, each of whom plays or has played a role in the formation of government policy. Most were economists involved in agricultural and natural resource management issues, but the sample also included senior bureaucrats, past or present politicians and a former ministerial adviser. The survey was not intended to be a representative sample: the intention was to capture insights and good ideas, not a consensus or average view. All those approached were people with whom I had previously had professional contact of some type. Most are policy advisers rather than policy makers. One reviewer of the present paper noted that:

For academics and other researchers, even those in government, influencing someone who may influence policy may be as close as it gets. Not many scholars outside the inner circles can have much direct influence on ministers or elected officials.

I received 18 responses, from which a selection of ideas and advice is presented below. In general, the advice they give can be closely related to the insights presented in the previous section. I have attempted to present the results as advice or rules for policy advisers. The largest set of advice relates to strategy, but there are also recommendations relating to content and style.

Note that survey responses are those of the individuals concerned and not necessarily of their organisations.

#### 3.1 Matters of strategy

##### 3.1.1 *Understand the policy maker's perspective*

This was perhaps the point that was most emphasised by respondents to the survey. In my view, understanding the audience is essential to any effective communication. The emphasis on needing to understand the policy maker's perspective is consistent with the strong research finding that decisions to adopt innovations are usually consistent with the adopter's objectives and perceptions. Here are several extracts that emphasise the point:

Understand what problems the policy-maker is dealing with, what objectives they are trying to pursue, and then cast your argument in a way that presents them with prospective feasible solutions. (Neil Byron, Productivity Commission)

Identify your immediate targets' self interest (votes, promotion and influence, interesting newspaper copy, corporate image, etc.) but don't deny them the self deception that they are acting in the public interest alone. (John Hyde, former member of Federal Parliament)

Knowledge of government policy mandates is essential. (Phil Connolly, NSW Treasury)

Understand your target audience and what drives them. Remember the total socio-political context, particularly social equity. (Roger Payne, Director General, Water and Rivers Commission, Western Australia)

Understanding the particular mindset of the relevant policy makers for your policy issue is not necessarily easy, particularly if you do not already have good access to them. There can be a Catch 22 here. Getting access to a policy maker requires that you have something to say that seems worth hearing. If you do get an opportunity, you may have to deliver your message before you have had a chance to interact with the policy maker and gain a full appreciation of his or her perspective. It is a good idea to discuss the policy maker's perspective with others who are likely to understand it (e.g., their staff or other advisers). Whatever strategy you adopt, to gain that appreciation may require time and considerable effort.

Although every debate requires some effort to understand a particular set of policy makers, there are some characteristics of ministerial and bureaucratic mindsets that apply reasonably generally.

Politics is the art of survival and you would prefer to survive in government than out of it. So if you are likely to lose votes then you buy them (as with the US Farm Bill). (David Bennett, NRMC Pty Ltd, Natural Resource Management Consultants)

Good advice on economic policy is often about convincing others that short-term responses are inappropriate. (Alistair Watson, Freelance Economist)

Economics is necessary but not sufficient without the socio-political negotiation awareness/skills. (Roger Payne, Director General, Water and Rivers Commission, Western Australia)

Issues come haphazardly, whether you want them or not. The major concern is to act first (like the British Government with foot and mouth disease) and think later. (David Bennett, NRMC Pty Ltd, Natural Resource Management Consultants)

Time to consider issues thoroughly is one resource in short supply among policy makers, but there are likely to be others as well, including finance, human resources, and legal powers. Feldman *et al.* (2001, p. 314) commented that 'effective communication recognises the glut of information facing policy makers and the lack of time they have to digest it'.

The advice must be given in a full understanding of the powers and resources of the relevant government department. There are lots of good ideas but if they don't fit into the contextual complexity that policy makers face then they will rarely be adopted. Many policy makers are under immense time and resource pressures and anything that needs a lot of digesting gets left on the plate, so to speak. Few [policy makers] are courageous enough to make major changes which add significantly to their work and resource pressures. (Don McFarlane, Water and Rivers Commission, Western Australia)

Politicians are often concerned about who in the community would gain and who would lose from alternative policy options. Economics is uniquely able to provide quantitative advice on this.

In attempting to influence a minister, it can be helpful to understand how he or she prefers to receive information. Ministerial staff can provide good advice on this.

Some Ministers do not read but can absorb verbal information. Others want to get into detail and will read widely as well as all material put before them. (John Kerin, former Commonwealth Government minister)

### *3.1.2 Dealing with opponents*

In entering a topical policy area, you may find that you acquire some clearly identifiable opposition, attempting to undermine your position and counter your arguments. Harries (2002) has several pieces of good advice for this situation:

1. Know your opposition's case. 'Understand the position of your adversary not in a caricatured or superficial form but at its strongest, for until you have rebutted it at its strongest you have not rebutted it at all.'

2. Forget about trying to convert your adversary. It is fruitless to expect that an opponent in a policy debate will concede that you are right and they were wrong. 'In any serious polemical confrontation (as opposed to genuine intellectual discourse) the chances of success on this score are so remote as to exclude it as a rational objective'. So get used to the idea that if you succeed, there will be people who believe that your success is a dreadful mistake and that you personally are hopelessly misguided, narrow minded, or worse.
3. Pay great attention to the agenda of the debate. 'He who defines the issues, and determines their priority, is already well on the way to winning'.
4. Address the case, not your opponent's motives. 'Avoid trading in motives as an alternative to rebutting the opposing case. ... This admonition is routinely ignored by many. ... Motives are irrelevant to the soundness of an argument. Anything that is said by someone whose motives are suspect or bad could equally well (and in all probability will) be uttered by someone whose motives are impeccable, and an answer will still be required'. Also relevant is Bjorn Lomborg's philosophical response to some of the abusive critiques of his book, *The Skeptical Environmentalist* (Lomborg 2001): 'If your case is good, pound your case. If not, pound the table'. Here is a similar point from the survey.

Argue from your opponents' values (philosophical preferences) where ever possible. As the more fundamental values are almost universal this is not as difficult as it sounds. If the advocate's hard head is mistaken for a hard heart, few will listen. **THIS POINT IS IMPORTANT.** (John Hyde, former member of Federal Parliament)

### 3.1.3 Be solution-orientated

Economists sometimes have a tendency to adopt a critical stance, highlighting problems they have identified with a policy. The following quotes emphasise that we should not forget to also consider solutions to those problems. Without this, policy makers are likely to see us as people who would make their life more difficult.

Too often we [economists] don't make positive suggestions to show the way to the solution. (Colin Mues, ABARE)

Give the advice in a 'solution solving manner'. (Don McFarlane, Water and Rivers Commission, Western Australia)

Ideally advice should take this form: Your problems are due to A, B and C. Here are three things, X, Y and Z, which will work and substantially improve the situation. (Neil Byron, Productivity Commission)

For Ministerial advisors, be clear about the issue/problem and ensure that the responses clearly articulate the impacts of options, short- and long-term. For Ministers, the advice must provide a feasible option for resolving the issue. Ministers do not have time to consider convoluted descriptions of issues. They need the benefits and costs of options. (Graeme Robertson, Director General, Department of Agriculture Western Australia)

There were some differences of opinion among respondents on whether you should make an explicit recommendation. Some respondents suggested that the economist's job is solely to put forward options with information about the performance of those options. Others take a different view.

It is particularly important to be able to make a recommendation with reasons. The decision maker will make their own decision but still like to have a recommendation. (David Hartley, Department of Agriculture Western Australia)

Feldman *et al.* (2001, p. 314) found that, 'policy makers report frustration with researchers' unwillingness to articulate clearly the policy implications of their research – to 'go out on a limb' and make policy recommendations based on their findings'.

### *3.1.4 Be practical and pragmatic*

Compromise is frequently an important part of policy development.

Understand the politics of the situation and be prepared to be a bit flexible. This could mean sacrificing some principles on occasions (Economists generally seem less at home in politics than do members of the legal profession.). (Trevor Wilson, Department of Primary Industries, Queensland)

In seeking policy change in natural resource management, I have found it necessary to strike a difficult balance between compromising and holding the line. I have on some occasions suggested changes that are less extreme than the changes that I actually believe should occur because of judgements that the full change would be too far from current policy to be acceptable, at least in one step.

This does not imply that economists should sacrifice their intellectual integrity.

Many decisions end up being second, third or 27th best options but this should not stop economic advisers from putting forward what they see as most advisable. If this is done, reasons and implications should also be given. (John Kerin, former Commonwealth Government minister)

### *3.1.5 Importance of timing*

Cialdini (1993) outlined the psychological tendency for people to maintain a consistent stance, particularly once that stance has been made public. He discussed the potential for this trait to be used to enhance personal influence, but it may also inhibit attempts to achieve change, particularly in the short term. No doubt, this is behind the following recommendation on the question of how to be influential with policy makers.

Do it early (before a position is established). (Colin Mues, ABARE)

If you join a mature policy debate, or you are recommending reforms to established policies, you may have to wait some time for a realistic opportunity for change to occur. Such opportunities may arise, for example, following a change of government, a change of Minister or senior public servant, an episode of strong media focus, or the release of substantially new and different scientific data.

You should not sit back and wait for an opportunity to arise. It may occur without warning, or may have already occurred behind the scenes, so that you need to put your proposals on the table as soon as you believe they are sufficiently well developed to withstand scrutiny and debate:

Researchers who would influence policy must recognise that preliminary but timely results are more likely to have an impact than more definite findings published long after a policy must be formulated or a program implemented. (Feldman *et al.* 2001, pp. 313–314)

Even if an opportunity is slow in coming, it is necessary to be patient and persistent (see 3.1.6 below) and wise to use the time to build support (see 3.1.7 below). Usually, striving for policy change is a long-term project.

### *3.1.6 Be persistent*

I have already mentioned the likely need to maintain policy-advocacy efforts for some considerable time. Presenting a good argument is often not

sufficient to change minds. Often you must repeat the argument again and again in different forms and in different environments to slowly bring the audience around. The decision-theory approach to understanding adoption (Abadi Ghadim and Pannell 1999) helps to explain this; a single hearing of an argument may slightly reduce one's uncertainty about an innovation, but hearing the argument repeatedly, especially from different sources, is likely to reduce uncertainty and increase confidence to a much greater extent.

Harries (2002) emphasises the need for persistence: 'When you have a good point to make, keep repeating it. Success in ideological polemics is very much a matter of staying power and will.' Several survey respondents made similar and related points.

Persistence is one of the important attributes of a policy economist. If you think that you have a strong case it is more likely that you will outlast someone with a weak case. (Gary Stoneham, DNRE Victoria)

Hang in. The policy advocate must accept that he will at times be boring, repetitive and a pain in the butt. (John Hyde, former member of Federal Parliament)

Be patient. (Scott Davenport, NSW Agriculture)

Even if one seems to be making progress in shifting perceptions on a policy issue, there is always the risk that hard-won ground will be lost. There are certain to be individuals and organisations with vested interests in the continuation of the existing policy, and they will resist your proposals for change, making counter-arguments probably with some energy and persistence of their own. Therefore, persistence of effort may be required just to prevent an active policy debate from slipping backwards (from your perspective).

This is one of the reasons why it is so important to get in early, to prevent the establishment of poor policies that are, by virtue of their very existence, difficult to change.

### *3.1.7 Network and build support*

If you practise the kind of persistence advocated to in 3.1.6, an additional positive result can be the building of support from a wide constituency. Time-consuming efforts to communicate frequently and widely can help to build support for change among both policy makers, interest groups and interested members of the wider community.

Whenever possible make your recommendations on the public record. Policy makers are influenced by public opinion probably more than by expert opinion. (John Hyde, former member of Federal Parliament)

We have found that it is important to anticipate who senior policy makers will consult and to have made contact with these people so that they understand the economic perspective. Organising third party endorsement is very important. Inviting outside experts, often to give the same message as local economists, can be helpful. (Gary Stoneham, DNRE Victoria)

As well as Government Ministers/advisors, seek support from Opposition members of Parliament, who may be able to ensure that the Government takes notice. (Mark Altus, Department of Treasury and Finance, Western Australia)

Must be prepared to take the initiative and make a point of communicating with the policy makers. Cannot sit back and wait to be asked. (Trevor Wilson, Department of Primary Industries, Queensland)

Establish an inter-agency network of friends who can influence, establishing respect within government agencies and ministerial staff. (Scott Davenport, NSW Agriculture)

Once again Harries (2002) has some excellent advice on the topic of building support when the debate is adversarial.

Preaching to the converted, far from being a superfluous activity, is vital. Preachers do it every Sunday. The strengthening of the commitment, intellectual performance and morale of those already on your side is an essential task, both in order to bind them more securely to the cause and to make them more effective exponents of it.

Never forget the uncommitted: almost invariably they constitute the vast majority. ... What works best in throwing opponents off balance – cleverness, originality, pugnacity, ridicule – is often counterproductive with the neutral or undecided, who are more likely to be impressed by good sense, decency and fairness.

### *3.1.8 Credibility is important*

Feldman *et al.* (2001, p. 313) found that state-level ‘policy makers seek and prefer to use information obtained directly from trusted sources, preferably

from sources with immediate knowledge of their state's circumstances, priorities and needs'.

I think that reputation is very important. This may involve taking unpopular positions but if policy makers know that your advice is independent, in the public interest and that you don't play underhanded games then advice is more likely to be respected. Policy makers are often confronted with many views and will go with reputation. (Gary Stoneham, DNRE Victoria)

Husband your credibility. Accuracy is more important than originality. The advocate can afford to be boring (although its better not to be) but he cannot afford to be often wrong even about matters not central to his argument. (John Hyde, former member of Federal Parliament)

Never defend a model. Focus the discussion on the ways that changes in the assumptions change the recommendation. Do it openly and honestly. (Mike Young, CSIRO Land and Water)

This recommendation from Mike Young to make use of what I would call 'sensitivity analysis' is a very important one. I have commented elsewhere on the positive value of using sensitivity analysis to aid communication of technical information to an audience of decision makers (Pannell 1997).

### *3.1.9 Don't tell your target audience that they are wrong*

Several survey respondents proposed this rule, which personally I have not always obeyed. People do not like having to change their position on a matter, particularly when they have publicly expressed their current position (Cialdini 1993,2001; Hogan 1996). If you are critical of that position, particularly in public, you run the risk of alienating your target audience. However, one must not stick to this rule too scrupulously, or bad policies would not receive the criticism they deserve.

Most of the above points relate to engagement with the policy process. Strong engagement and involvement is crucial. As one respondent commented, there are numerous players of different types and 'there is a lot to it'.

## **3.2 Matters of knowledge and content**

### *3.2.1 Understand the policy process*

In the context of aged care, Feldman *et al.* (2001) found a mismatch between what information policy makers say they need and what researchers provide. They observed that a number of scholars (e.g., Weiss 1977, 1989; Albaek 1995;

Shulock 1999) have argued that the mismatch is due 'in large part to the tendency of social researchers to assume that policy makers follow a linear "rational choice" decision-making process', whereas the reality is that 'formal analysis feeds into a much larger non-linear political process of decision-making where the influence of evidence-based information is heavily dependent on its perceived relevance to political debate and public discourse' (Feldman *et al.* 2001, p. 318).

Part of understanding the perspective of policy makers and policy advisors is understanding the environment in which they operate, and the processes of policy making.

Have a good understanding of the 'policy process' within government.  
(Scott Davenport, NSW Agriculture)

The details of the policy-making process are different depending on the players and the context, but often it involves ministers considering a combination of more-or-less independent information (often technical and quantitative) from their advisers or departments, and judgements about community attitudes and political consequences.

It is best if policy making is a shared interactive process involving first the more disciplined players (i.e. economists and experts from other disciplines) before options are explored politically or tested for their applicability (and the Cabinet is a key test). (John Kerin, former Commonwealth Government Minister)

Another reality of the policy process is that positions on an issue change over time. For example, this may result from new knowledge, political pressure, or changes in agency personnel.

### *3.2.2 Develop a deep and broad knowledge of technical aspects of the issue*

Make sure that you know several times more about a topic than you can conceivably use or show. This is important, for one thing, because you will not know in advance what precisely you will have to use on any given occasion. Even more important, the fact that you have much in reserve (which will usually become evident through an accumulation of small touches) will give a resonance and authority to what you do use. (Harries 2002)

After point 3.1.1, this was the most emphasised point among survey respondents. They stressed the need to be seen to be expert in the subject generally, and not merely on economic aspects:

Engage other disciplines; attempt to harness their expertise. Doing homework on the problem at hand is important. A detailed knowledge of the industry in question and a good set of industry (situation) statistics always helps ones credibility. (Gary Stoneham, DNRE Victoria)

Spend as much time talking to noneconomists as to their economist colleagues. Understand the issue comprehensively. Be sure to scope alternatives before becoming analytical. (Graeme Robertson, Department of Agriculture Western Australia)

Good communication requires confidence in the subject matter, so all aspects of issues need to be thoroughly thought through beforehand. (Scott Davenport, NSW Agriculture)

Where possible, trial the advice with others who are outside your professional group. (Ian Wills, Monash University)

Economists should not spread themselves too thinly because there is a limit to the empirical information that can be brought to bear on policy judgements. (Alistair Watson, Freelance Economist)

Having good technical knowledge is not just a matter of strategy, but one of social responsibility. I particularly appreciate the following insightful comment:

Much of the problem with bad policy comes from smart, articulate people who are operating out of their skill zone. (Gary Stoneham, DNRE Victoria)

This is not to imply that economists should attempt to provide the whole answer to a problem, but that the economic aspects of the answer need to be based on good information about non-economic aspects.

### 3.3 Matters of style

Is style more or less important than content? Survey respondents were asked to comment on the importance of effective and persuasive communication relative to the importance of the information content that is communicated. Most responses considered both to be essential.

If either is poor then the proposal is likely to fail. (Mark Altus, Department of Treasury and Finance, Western Australia)

They are equally indispensable; one cannot compensate for deficiencies in the other. (Neil Byron, Productivity Commission)

A minority emphasised communication as being pre-eminent. For example:

You only have to watch the films of Hitler's speeches, especially the Nuremberg rally, to know that communication is far more important than content. The media adviser is always the person closest to the Minister. (David Bennett, NRMC Pty Ltd, Natural Resource Management Consultants)

In contrast:

I have not noticed that policy economists who are 'stylish' are most effective. Perhaps the most influential economist in the world is Alan Greenspan of the Federal Reserve in the USA. It is hard to think of someone with less 'style' or with more substance, credibility and impact. (Daniel Sumner, University of California, Davis)

In my view, success in influencing policy can be enhanced by excellent communication, but this does not necessarily mean being slick and stylish. Part of good communication is being clear and credible.

### *3.3.1 Work on your general communication skills*

Many of the best communicators (e.g., Ronald Reagan) have an acting background. If you are not an actor then simulations, such as lawyers get in their training, can be very good. Join the debating club. (David Bennett, NRMC Pty Ltd, Natural Resource Management Consultants)

### *3.3.2 Be clear and brief*

The need for clarity, brevity and simplicity featured in many of the survey responses.

Keep policy proposals simple/intuitive and concise. (Mark Altus, Department of Treasury and Finance, Western Australia)

Keep it very short and focused. (Neil Byron, Productivity Commission)

To judge from the responses received, economists may have a general problem with over-use of jargon, and communicating in a way that is too technical or too narrowly based in economic theory.

Avoid using jargon. (Mike Young, CSIRO Land and Water)

Make sure they are talking to the audience and not their colleagues over the heads of the audience. (Alistair Watson, Freelance Economist)

What sounds perfectly acceptable to a fellow economist might be incomprehensible or even offensive to a policy maker with a different background. Therefore, it is essential that economists develop their ability to describe their proposals in a manner that is comprehensible to economists and non-economists alike. (Phil Connolly, NSW Treasury)

### *3.3.3 Quantify the impacts of options*

There were a number of suggestions from survey respondents that economists should provide quantitative evidence to support their arguments. Such quantification is likely to increase the apparent objectivity and independence of your argument.

Have data/evidence to back assertions about what the proposal will achieve. (Mark Altus, Department of Treasury and Finance, Western Australia)

I like to get advice which is sound and objective, under-pinned with detailed analysis. I will make the ‘political judgements’. (David Hartley, Department of Agriculture Western Australia)

Quantify effects rather than relying just on abstract argument. (Kym Anderson, University of Adelaide)

Having a good understanding of the impact of the proposed change is also an advantage particularly where this is based on quantitative analysis. (Gary Stoneham, DNRE Victoria)

Sometimes, basic quantitative data or analytical results can be highly influential on policy makers, even without the analyst adopting an explicit policy position.

Some of the most influential policy work may not be policy advice or policy position papers, but basic data and analysis. (Daniel Sumner, University of California, Davis)

The process of quantification does not necessarily have to be very sophisticated or complex. Sometimes the result is clear enough that a relatively

simple analysis is sufficient. I believe that my strongest contributions to policy debate have been mainly through the integration of diverse types of information (each of which individually was relatively clear and straightforward), rather than through the conduct of detailed and sophisticated economic analysis. Much of the economics I used was little more than common sense, or at least so it seemed to me.

### *3.3.4 Relate your recommendation to government's stated policy objectives*

People have a well-documented psychological tendency to choose decisions and actions that are consistent with their past decisions and actions (Cialdini 1993). Notwithstanding the propensity for governments to break election promises, they do seem to attempt to at least reconcile new policy advice with existing policy commitments.

Relate the proposal to the Government's stated policy objectives.  
(Mark Altus, Department of Treasury and Finance, Western Australia)

I had not appreciated the importance of this point when I first made presentations to policy makers. When some of my proposals began to be supported, I was surprised at the efforts that were then made to paint the new position as being already embodied in the old position. In retrospect I see that there were a number of sound reasons for doing this. For one thing, it meant that the existing policy document, which had had a difficult genesis, did not need to be re-negotiated with the Minister and the community. For another, it reduced the need to admit that the existing policy was deficient.

This advice does not mean that you should limit your analytical attention to the stated objectives, which may actually be inappropriate or insubstantial. It relates to the packaging of your results.

## **4. Strengths and weaknesses of economics in the policy domain**

In the hope that identifying weaknesses is the first step towards their rectification, survey respondents were asked, 'In your view, what are the common weaknesses of economists in their attempts to influence policy?'. There were two strong themes in the responses. The first relates to the narrowness of the economics paradigm and of the advice its practitioners provide. There were so many responses around this theme that it ought to focus policy economists' attention firmly onto this issue.

Too isolated from other disciplines. (Gary Stoneham, DNRE Victoria)

A tendency to be too academic rather than pragmatic. They may be seen as not in touch with the real world. (Mark Altus, Department of Treasury and Finance, Western Australia)

Too often economic advice is one-dimensional. [Economists] try to promote a 'pure' economic thesis and do not readily try to deal with non-quantitative information or intangibles. This usually results in a narrow range of options. (Graeme Robertson, Department of Agriculture Western Australia)

The inability of many economists to understand and well explain the diversity of values and issues which can be taken into account within a micro reform framework. For example, too often we hear that economists are not interested in certain non-monetary values, i.e. lifestyle, welfare, equity, environment, ethics, etc. (Scott Davenport, NSW Agriculture)

They take for granted the liberal foundations of at least microeconomics. (John Hyde, former member of Federal Parliament)

Their reform suggestions, if they get to Boards of Management, can be seen as being narrowly defined. (Don McFarlane, Water and Rivers Commission, Western Australia)

A belief that efficiency is a necessary precondition rather than something that can be traded off against other objectives. (Mike Young, CSIRO Land and Water)

They think 'economics' is self evident and sufficient in itself. (Roger Payne, Director General, Water and Rivers Commission, Western Australia)

Tendency to under-emphasise non-quantitative information. (Phil Connolly, NSW Treasury)

Too little attention to private and public transaction costs. (Ian Wills, Monash University)

The call for a broad perspective does not imply that economists should attempt to dominate the intellectual high ground. Modesty in claims for the discipline is important; we are only one source of information contributing to a broad decision process.

The second large set of responses related to the quality of economists' communication. In summary, respondents felt that economists tend to use too much jargon, and to communicate in ways that are too elaborate and technical for non-economists

They argue for other economists. (John Hyde, former member of Federal Parliament)

Respondents were also asked, 'What are the strengths of economists (relative to other disciplines) in providing advice or analysis on policy?' All of the responses, without exception, highlighted positive aspects of the economics paradigm and approach to analysing problems. Positives identified included its potential for breadth, its ability to integrate diverse technical information, its focus on trade-offs and opportunity costs, its potential to consider distributional outcomes (winners and losers), its rigour, quantifiability, and robustness.

They provide discipline and rigour that other areas often lack. Economic measures are generally well understood and many other disciplines are qualitative. [Economists] allow comparisons to be made in a more objective manner. (Don McFarlane, Water and Rivers Commission, Western Australia)

The discipline provides a robust and fairly comprehensive analytical framework for assisting policy makers to make informed decisions. The strength of economics is that it facilitates clear and consistent policy formulation, advice and analysis. It must be noted that economics has its limitations (particularly as regards non-market goods). However, a good economist should clearly recognise and work within these restrictions. (Phil Connolly, NSW Treasury)

Logical application of basic economic concepts: opportunity costs, recognition of decision makers' incentives to maximise net benefits. (Ian Wills, Monash University)

Economics is in my opinion by far the most rigorous of the social sciences (I am not saying that the others have nothing to teach us.). (John Hyde, former member of Federal Parliament)

Ability to integrate information from a range of disciplines, some powerful analytical tools, often genuinely interested in policy issues, at ease with 'constrained optimisation'. (Ross Kingwell, Department of Agriculture Western Australia)

A sound, consistent, quantifiable theoretical framework. (Kym Anderson, University of Adelaide)

The most significant is that they can provide a way of clarifying or measuring the level of agony, use of resources and tradeoffs in a systematic way. (Roger Payne, Director General, Water and Rivers Commission, Western Australia)

Economics is about interdependence and opportunity costs. Economists are stronger on uncertainty than many other disciplines. (Alistair Watson, Freelance Economist)

A focus on broader issues and outcomes. (Mark Altus, Department of Treasury and Finance, Western Australia)

## 5. Responsibilities of economists

To conclude, I would like to highlight two areas where economists have particular responsibilities and opportunities. First, economists (like any other professional group) have a responsibility to ensure that the advice they give has a sufficiently robust and broad technical basis. Some of the survey responses indicated that economists do not always form strong enough links with other disciplines for this responsibility to be met.

Second, economists have a responsibility and an opportunity to contribute to the policy debate in ways that others in the community can not or will not do. The economic paradigm provides us with a unique capacity to do this. Perhaps, for this reason, there is a tradition of providing independent advice in defence of the public interest that seems to be stronger within economics than in most other disciplines. This point was made strongly and repeatedly in the survey responses.

The profession of economics is at its best when it is defending the public interest in the widest possible sense. (David Bennett, NRMC Pty Ltd, Natural Resource Management Consultants)

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