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PUBLIC POLICY DECISION MAKING:
A FRAMEWORK FOR ANALYSIS

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PUBLIC POLICY DECISION MAKING:
A FRAMEWORK FOR ANALYSIS

by

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A public policy problem exists whenever an issue arises where group action, or group decision making is involved. A conceptual framework for the analysis of public policy problems is presented. It is argued that an appropriate model is an alternatives and consequences rather than a pro and con (advantages and disadvantages) framework. Hence, the economist has an extremely limited (although important) role to play, in that the economist serves only to delineate alternatives and consequences. There is no fecundity in presenting pros and cons, for one individual's pros is another individual's cons. Pros and cons are inexorably linked to an individual's set of values. Arguing the pros and cons of a situation is about as fruitful as arguing the relative merits of a Ford versus a Chevrolet. Progress is seldom if ever made, but the naive keep doggedly at it. Arguing pros and cons is useless, for an economist's values are no better than anyone else's.

In an alternatives and consequences framework, the (agricultural) economist is by no means a useless animal. He deals not with the normative issue of whether or not we ought to follow a particular course of action-- for this is the legitimate role of the decision makers, not the role of the (agricultural) economist. An individual trained in (agricultural) economics who makes a public policy decision is no longer assuming the role of an economist. An economist, if he is wearing the hat of an economist,

rather deals solely with an if this, then this kind of activity. In other words, if a decision maker follows a particular course of action the economist proposes that economic theory will suggest that a particular set of outcomes will result. It is up to the decision maker, not the economist, to decide if the set of outcomes is a pro or a con, and is consistent or inconsistent with the decision makers goals. This does not necessarily mean that (agricultural) economists dealing with a public policy problem should avoid the decision makers whose values (and hence choice of desired outcomes) are inconsistent with his own. Sooner or later, any (agricultural) economist working in a public policy problem with decision makers will find himself in a situation where the desired outcome by the decision maker is not entirely consistent with the (agricultural) economist's set of values. How well the (agricultural) economist succeeds in delineating policy alternatives and outcomes (consequences) without revealing his own values with regard to preferred outcomes will to a great extent affect his effectiveness as an (agricultural) economist, and the subsequent willingness of decision makers to use him as a resource person when dealing with other kinds of issues at other points in time.

Point Sets, Correspondences, and Mappings

The statements that have been made could perhaps become somewhat more lucid with the use of set theory notation. The theory of sets has been widely used by the avante garde "pure" economists as a tool for expressing theoretical models, but agricultural economists have not as yet widely adopted the notation for expressing concepts fundamental to real world problems.

Let A denote the set of all possible alternative courses of action available or of interest to decision makers. Let B denote the set of possible outcomes that occur as a result of a particular course of action that are also of interest to decision makers. These sets are shown in Figure 1. Sets A and B may actually consist of an infinity of points. More often, however, the alternative courses of action open to a decision maker are finite. Similarly, there are usually only a finite number of possible outcomes (goals or consequences) which are of interest to the decision maker. Hence, A and B are probably finite sets, consisting of only a limited number of points.

Given a definition of a "course of action" set and an "outcome" set, an economist who deals with public policy can be introduced into the model. It is the economist who is responsible for the correspondence mapping of the alternatives (courses of action) set (A) into the consequences (outcome) set (B). In other words, economic theory really forms the basis for the mapping of courses of action into outcomes (Figure 2).

Clearly, the course of action chosen by the decision makers is based not upon the direct recommendation of the economist. Rather, the decision maker listens as the economist explains why a specific course of action will likely lead to particular outcomes. The decision maker will probably have several goals (desired outcomes) in mind. The decision makers, based on information provided by the economist, choose the course of action which will result in outcomes nearest to what is desired.

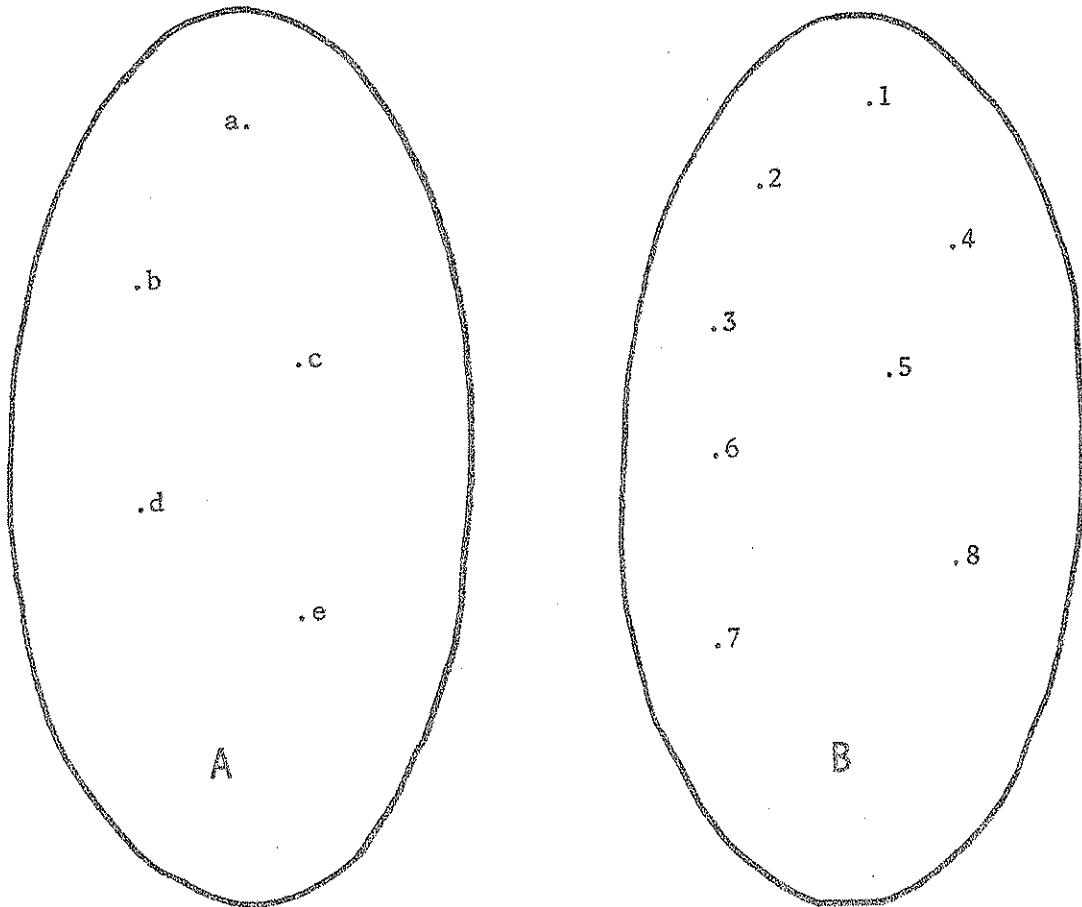


Figure 1. A Courses of Action Set, and an Outcome Set

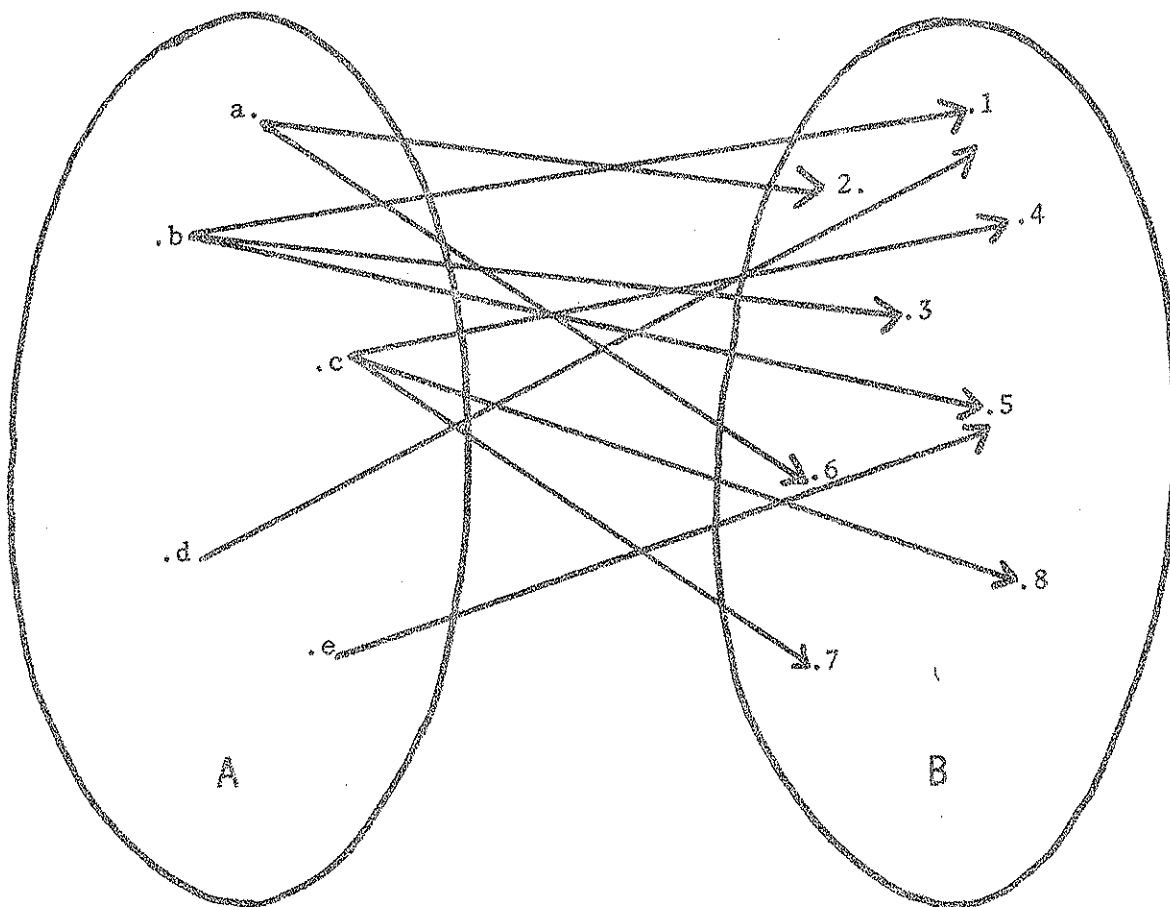


Figure 2. Mapping Courses of Action into Outcomes

Concluding Comments

The key elements of public policy analysis include:

- A. A problem requiring group action.
- B. A decision maker, or group of decision makers
- C. A set of alternatives or courses of action
- D. A set of consequences arising from each alternative
- E. Economists who are responsible for the mapping of alternatives into consequences

The sole legitimate role of the economist is that of mapping alternatives into consequences. If an economist wishes to act as a decision maker, the economist must abandon his role as an economist, and enter the political arena.

Questions for Discussion

1. How do you identify a problem? Some economists wouldn't recognize a public policy problem if it ran over them.
2. Who do you work with? Some have argued that by the mere fact that you provide information to certain groups of decision makers makes other groups with an equal interest in the problem worse off because they lack this information. How do you respond to this criticism?
3. How do you identify the set of viable (feasible) alternatives? How do you go about limiting this set of alternatives so that you don't have to look at an infinite number of alternatives? Can the set of feasible alternatives be identified by polling the decision makers? If an economist believes a group of decision makers are not looking at all the viable alternatives what should he do? What about advocating the alternative the decision makers aren't considering?
4. How do you identify the consequences of interest to decision makers? What do you do if there is a consequence associated with a particular alternative that is not being considered by decision makers, or a consequence that seems important to you but doesn't appear to be of much importance to the decision makers?
5. Should you choose decision makers to work with whose values are consistent with your own? Should you rather seek decision makers whose values are inconsistent with your own? In short, what if your values and the values of the decision makers conflict? If the alternative selected by the decision makers leads to an outcome that is totally inconsistent with your set of values, as an economist, what is your "moral" responsibility? Should you advocate another alternative? Should you abandon the group of decision makers you are working with?
6. What if, after presenting a group of decision makers with a series of facts, the decision makers choose an alternative that is totally inconsistent with the facts. In other words, the decision makers appear to have made up their minds as to the course of action to be taken before the facts were even presented.
7. Reconcile the alternatives and consequences approach with the whole idea that the extension service is a "change agent" which necessarily requires that a position of advocacy be taken by extension personnel.
8. What if the group of decision makers you are working with makes a decision which is not in the best interest of a community (society) but rather serves only one or two special interest groups and may actually make the rest of the community worse off? As an economist, what is your responsibility?