Recommendations

Synthesis of best practices in policy packaging and policy recommendations on policy packages

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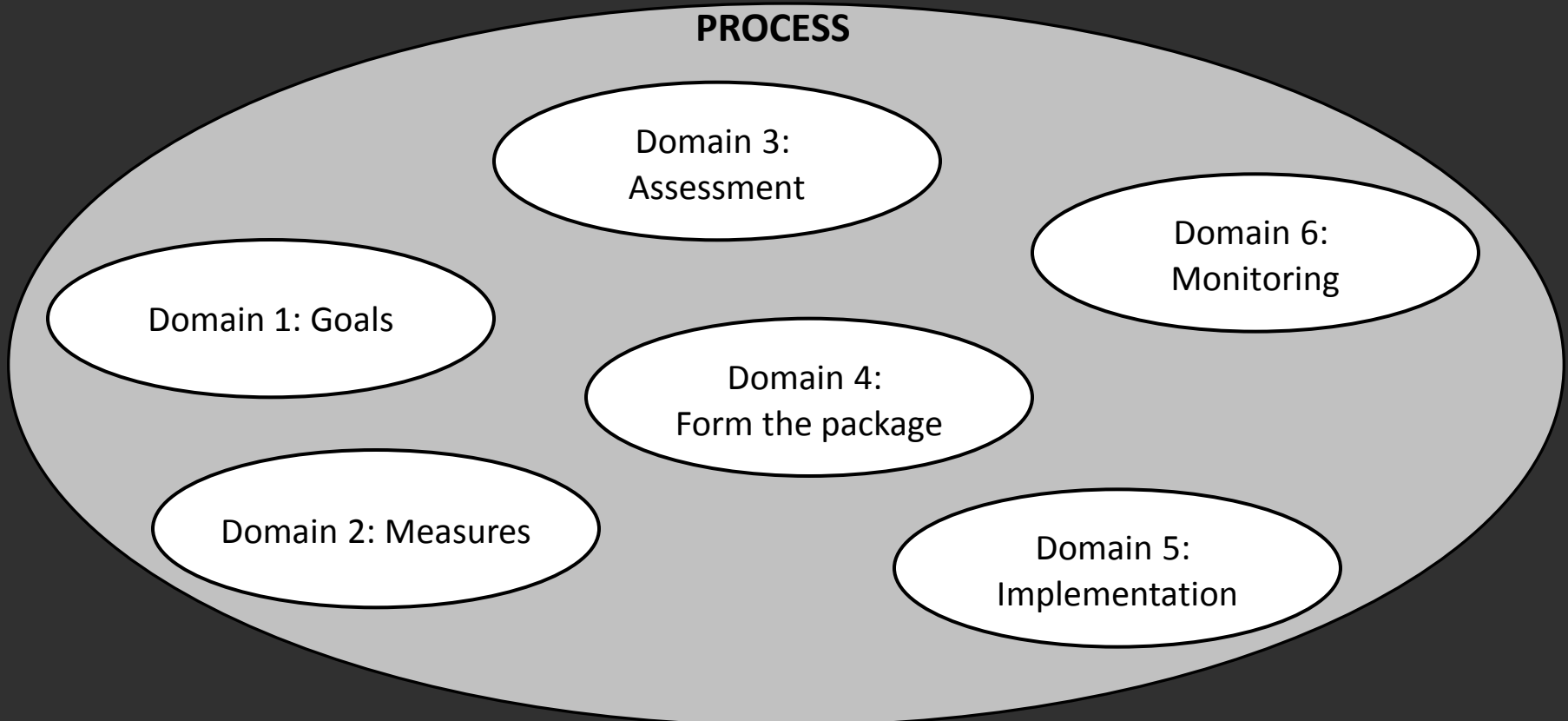**Oxford University, Centre for the Environment, Transport Studies Unit (UOXF.JQ)**

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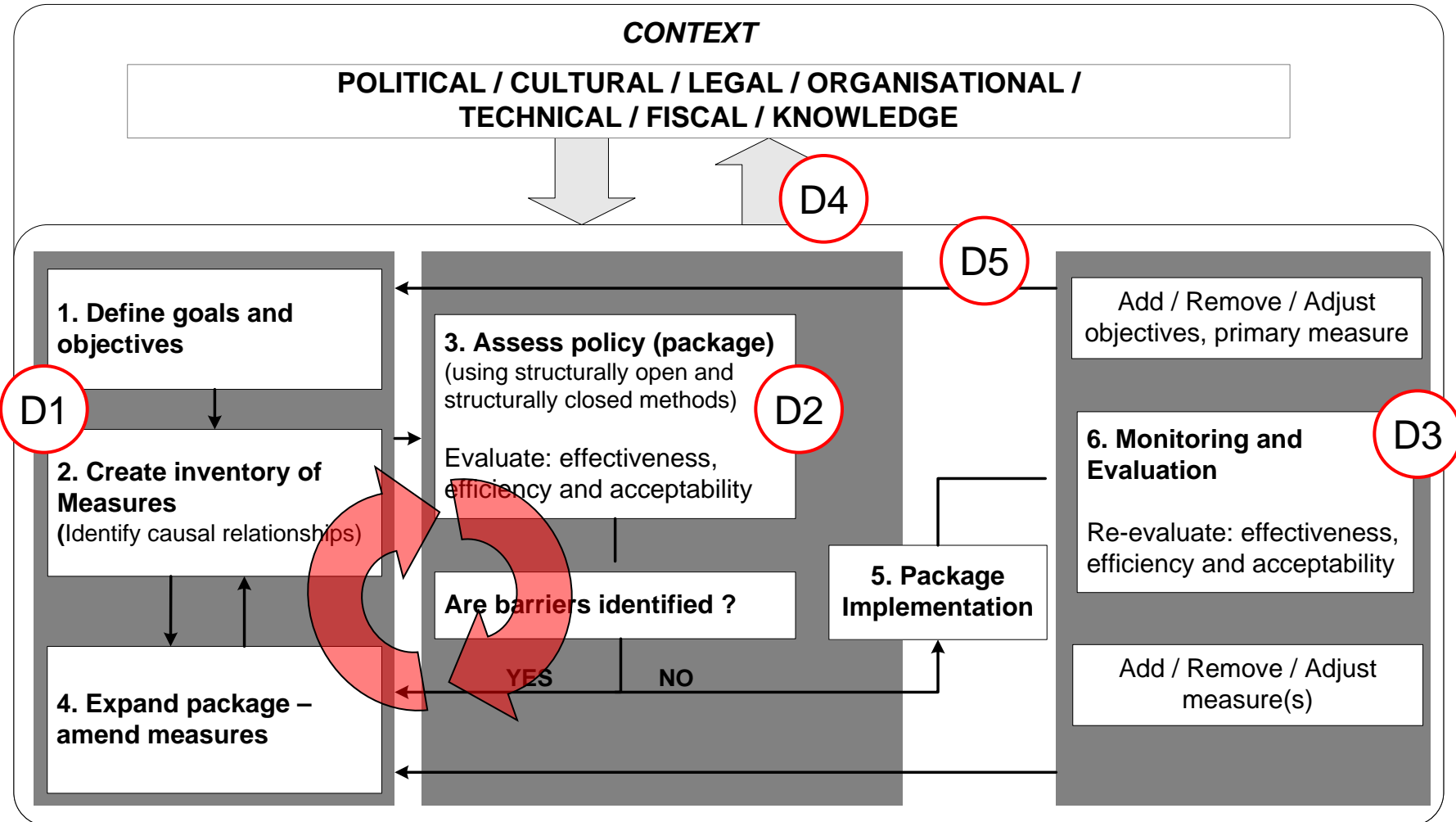
Objectives and content

- Systematic approach to detect and avoid unintended effects
- Identify barriers and apply strategies to overcome those

  – Introduce the OPTIC generic framework of policy packaging
  – Introduce some general recommendations
  – Discuss specific recommendations by policy packaging domains

- *Refer for background material and rationales behind recommendations to OPTIC Deliverables 1 to 6*
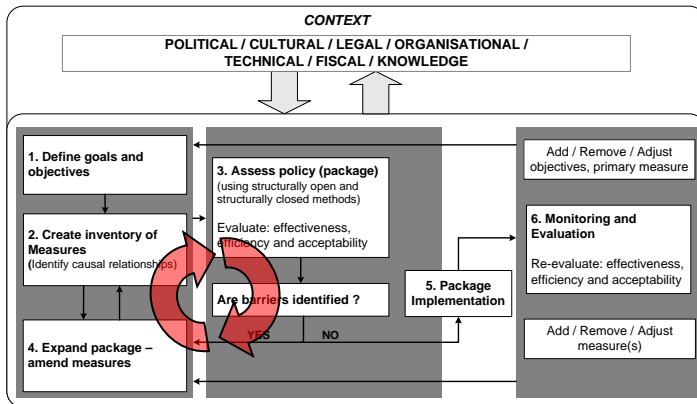
"While it is clear that real life policy making rarely follows any idealized process exactly, the framework supports (sensitizes) policy makers in the different dimensions of the policy making process." (D6, p. 53)

CONTEXT: Political, Cultural, Legal, Organisational, Technical, Fiscal, Knowledge

PROCESS

Domain 3: Assessment

Domain 6: Monitoring

Domain 1: Goals

Domain 4: Form the package

Domain 2: Measures

Domain 5: Implementation

Generic Framework
of policy packaging

OPTIC
Optimal Policies for Transport in Combination

CONTEXT

POLITICAL / CULTURAL / LEGAL / ORGANISATIONAL / TECHNICAL / FISCAL / KNOWLEDGE

D4

D5

1. Define goals and objectives

D1

2. Create inventory of Measures
(Identify causal relationships)

3. Assess policy (package)
(using structurally open and structurally closed methods)

Evaluate: effectiveness, efficiency and acceptability

D2

Are barriers identified ?

YES   **NO**

4. Expand package – amend measures

5. Package Implementation

Add / Remove / Adjust objectives, primary measure

6. Monitoring and Evaluation

D3

Re-evaluate: effectiveness, efficiency and acceptability

Add / Remove / Adjust measure(s)

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Further relevant observations

The number of iterations (and thus, the complexity) depends upon the appropriateness of the policy package in question.

Dimensions 3 and 4 are likely to be the most demanding with regards to necessary time and resources.

Unfortunately, often significant resources are directed to ex-ante appraisal, less is devoted to ex-post evaluation.

General recommendations

(We recommend to ...) analyze the type of policy.

Disadvantages		Advantages	
		Spread	*Focused*
Spread		Majority policy	Client policy
Focused		Entrepreneur policy	Interest group policy

Wilson, 1980

Majority policy: both advantages and disadvantages are spread; no specific group cares about the implementation (e.g. consumer protection)

Entrepeneur policy: less likely to be introduced; since strong opposition can be expected (e.g. environmental policies)

Client policy: likely to be carried out (e.g. transport infrastructure)

Interest group policy: unclear, strong mobilization either way can be expected (e.g. labour market policies)

(We recommend to …) define success.

- **Effectiveness / Efficiency / Acceptability**

- *Effectiveness* = magnitude of expedient 'operative influence' that an intervention exerts upon a corresponding objective/target
  – We also consider *collateral effectiveness* of potentially unintended effects (even beyond the transport domain)

- *Efficiency* = cost effectiveness or the 'input-output ratio of policy instrumentation'
  – We consider *direct costs* and *transaction costs*

- *Acceptability* = degree of actual support for governmental choices

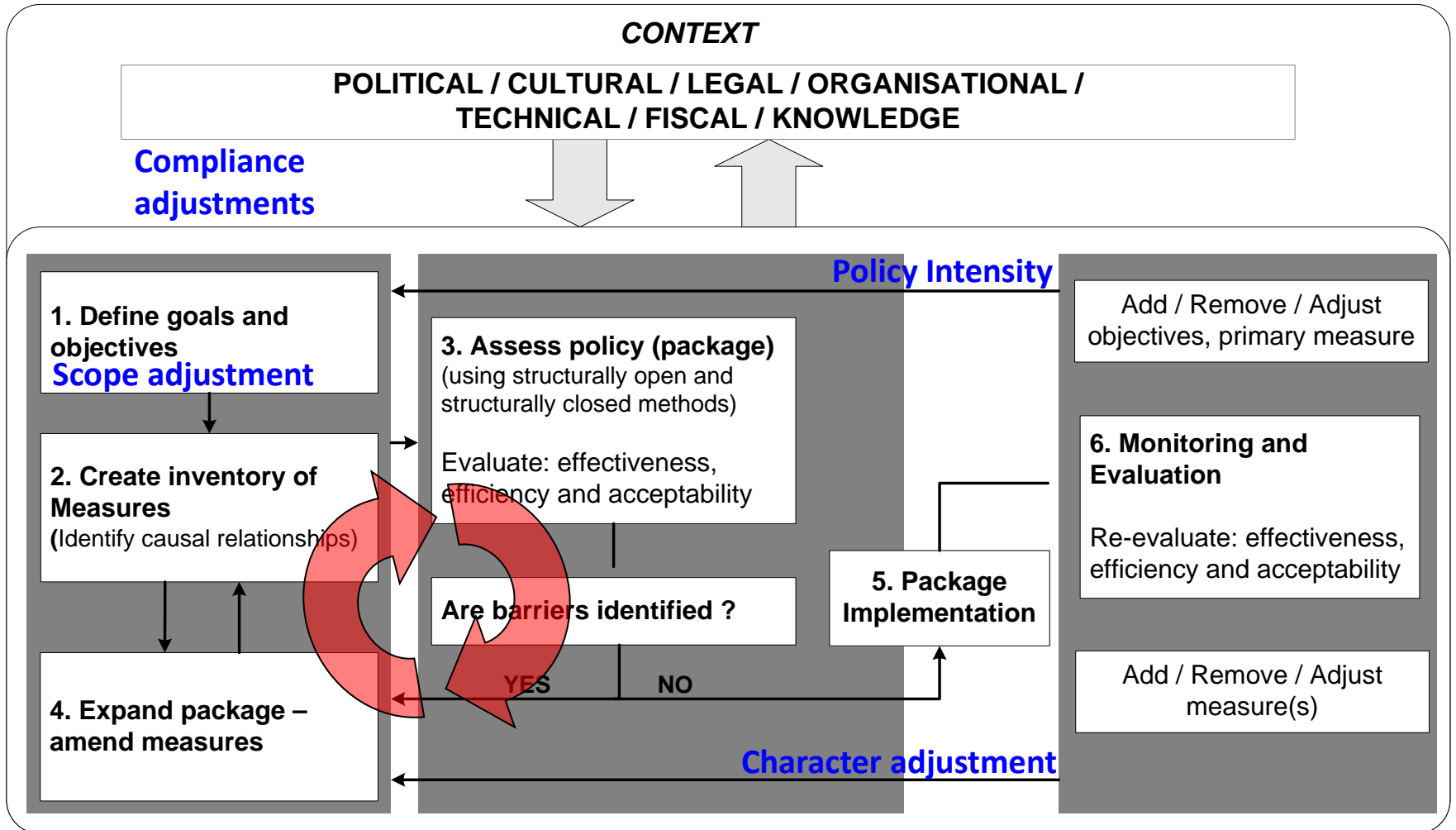| Net effectiveness (E_x): $E_x = f(e_i, e_c)$	Net efficiency (E_Y): $E_y = E_x / (c_d + c_t)$
Immediate effectiveness (e_i) [operative influence upon specified objectives] **Collateral effectiveness (e_c)** [operative influence upon exogenous objectives]	**Net effectiveness (Ex)** **Direct costs (cd)** [inherent programme costs] **Transaction costs (ct)** [incurred through exchange and negotiation]

Bicycle example

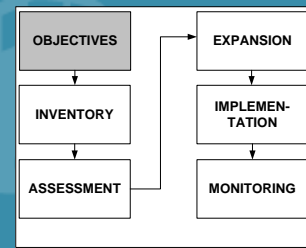# (We recommend to …) identify remedial options.

Monitoring, following the principal assumption that a degree of uncertainty remains regarding the policy outcome

continuously identify (and manage) unintended effects; **secure long-term achievement** → consider indicators(!)

- **Policy intensity adjustments:** strength and e.g. width of the policy intervention in place (e.g. higher or lower charges)
- **Compliance adjustments:** support packages ability to achieve targets, e.g. seal legal loopholes, clarify regulations
(e.g. counteracting loopholes)
- **Character adjustments:** alter the package through removal of original and placing of new (primary, secondary) policies
- **Scope adjustment:** geography; original objectives and/or targets
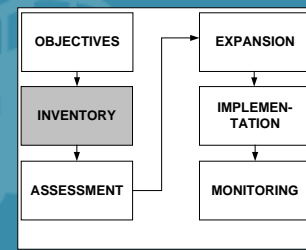
Generic Framework
of policy packaging

OPTIC
Optimal Policies for Transport in Combination

CONTEXT

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Compliance adjustments

Policy Intensity

1. Define goals and objectives
Scope adjustment

2. Create inventory of Measures
(Identify causal relationships)

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(using structurally open and structurally closed methods)

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6. Monitoring and Evaluation

Re-evaluate: effectiveness, efficiency and acceptability

Add / Remove / Adjust measure(s)

Character adjustment
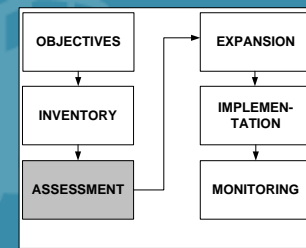
Specific recommendations by policy domains

Recommendations // Domain 1: Objectives and Targets

- Clearly state objectives and document them in official publications

- Set high, medium and low achievement thresholds in accordance to the targets

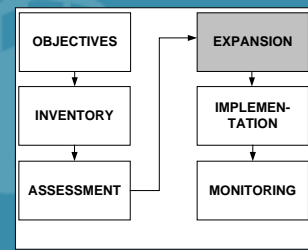- Acknowledge objectives and targets of other policy domains

Recommendations // Domain 2: Inventory of measures

- Ensure a mix of different types of measures
- Draw (literally) the **causal assumptions** underlying the expected effect of a measure
- Involve stakeholders and conduct discussions to assess a) the causal assumptions made, b) identify unintended effects and barriers

- Use: Causal Mapping; CBA, MCA with focus on measure effectiveness; policy/stakeholder analysis regarding acceptability → (Who is when to what extent affected?)

OPTIC

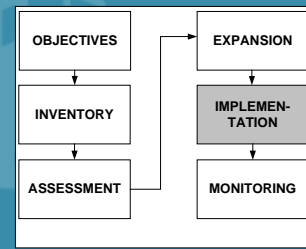Optimal Policies for Transport in Combination

Recommendations // Domain 3: Assessment

- **Be flexible at the beginning, use structurally closed methods in the middle and again open, flexible approaches in the end**
- Apply (if possible) structurally closed (e.g. transport models) methods for the assessment
- Address the issue of validation and inter-measure interaction: consider a sequential approach where first (primary) measures are analysed in isolation to then add step-by-step additional measures
- Consider iterating results with stakeholders and feedback newly encountered (un-)intended effects
- Consider mixed approaches and define when to include structurally open methods
- Reflect the available resources (time, money, knowledge) against the number of iterations required (policy combinations to assess)
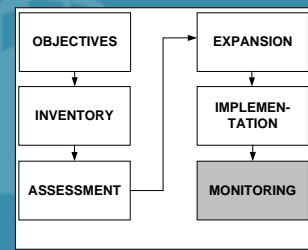
Recommendations // Domain 4: Expansion

- Decide whether additional measures are required to address unintended effects and to improve efficiency, effectiveness and/or acceptability

- Consider removing/adding primary measures; consider adding secondary measures

- *Will the transaction costs related to an adjustment of the package exceed the gain in net efficiency obtained due to a changed package?*

OPTIC
Optimal Policies for Transport in Combination

OBJECTIVES   EXPANSION
INVENTORY   IMPLEMEN-
              TATION
ASSESSMENT   MONITORING

Recommendations // Domain 5: Implementation

- Communicate benefits of the package clearly
- Trials – a way to test acceptance of the policy package
- Prepare/make use of windows of opportunity (even before!)
- Assign clear responsibilities for implementation, e.g. organisations/persons responsible

Recommendations // Domain 6: Monitoring

- Establish impact monitoring strategies
  (eventually make use of the same assessment inventory as ex-ante)

- Monitoring should be foreseen already during the policy package design process (and carried out in regular intervals)

- Identify a set of indicators (signposts) to measure achievement of objectives/targets

Thank you for the attention.

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