TOURISM POLICIES AND FASHION, ART AND FOOD INDUSTRIES

The policy cycle

Lecture 13

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Learning Objectives

- ✓ The notion of policy
- ✓ The policy cycle
- ✓ Usefulness of the policy cycle
- ✓ Criticisms
- ✓ A case study

What is policy?

- There is no single scientific definition.

- Policy is a plan of action agreed to by a group of people with the power to carry it out and enforce it.

- A policy is comprised of two main elements i.e. policy objective and one or more policy instruments.

- Public vs. organizational policy.

- Advocacy can be defined as attempting to influence public policy.

Policy making process: the policy cycle

Stages of policy process

- <u>Problem Identification</u>. The first stage of a policy cycle is identification of public problems that require interventions.

- <u>Agenda setting</u>. Policy agenda constitutes public problems chosen and recognized by the decisions makers in the political system.

- <u>Policy formulation</u>. It involves developing policy proposals to resolve issues and ameliorate problems.

- <u>Policy Legitimization</u>. It involves selecting a proposal, developing political support for it, enacting it into law, deciding on its constitutionality.

Stages of policy process

- <u>Policy implementation.</u> it is the translation of plans into practice – 'putting solution into effect'.

- <u>Policy evaluation.</u> It refers to the processes by which the policies are monitored and the outcomes might rise policy problems and propose solutions.

- <u>Policy change.</u> It simply refers to the improvement of a policy that has been evaluated.

- <u>Policy termination.</u> It refers to ending a policy that does not work or is not necessary any more.

The usefulness of a policy cycle

- ✓ **Analysis of policy is easier to define using a policy cycle:** the cycle is helpful to view policy making as a series of political activities.

- ✓ **The concept brings order in the policy process:** a policy cycle is a guide, or heuristic, for policy development; it 'brings a system and a rhythm to a world that might otherwise appear chaotic and unordered'.

The usefulness of a policy cycle

- ✓ **Understanding of activities of policy actors at different stages:** For instance, in most cases, the government makes decisions; the public reacts to and influences **the decisions made by the government.**

- ✓ **The cycle provides a way to understand policies in a real world:** The advantage of analyzing these procedures by dividing them into stages resides in the way it offers explanatory insights into the decision-making process.

Criticisms to the policy cycle

- **Policy processes are unpredictable:** it creates an artificial idealistic view on policy; in reality the course of policy is much more uncertain.

- **The cycle is an irrational process:** in reality, many decisions made in the policy process are irrational.

- **Policy making is extremely complex**. The interrelationships between these identified stages and various actors involved cannot easily be managed.

Criticisms to the policy cycle

- **Systematic policy evaluation is relatively rare in government**. Evaluations are sometimes commissioned by governments but often ignored.

- In reality the policy process in not linear because **policy activities cannot sequentially happen**. In reality these processes often occur simultaneously.

- **The cycle focuses on policymaking process more than execution of the policy**. The policy process focuses on how policies are made, rather than on the substance or content of policies.

- The model **lacks the concept of causation**.

PAUSE

Energy transitions in Italy: the case of the biofuel industry

Instrument mix for energy transition: A method for policy formulation

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ABSTRACT

The present paper illustrates a methodological strategy to address the first phases of the policy cycle – namely agenda setting, impact analysis, and policy formulation – with the aim of fostering the development of an innovation niche. Through a combination of fuzzy cognitive maps and social network analysis, our methodology allows firstly assessing the needs of the niche and then, the identification of the most effective instrument mix and policy brokers to overcome the niche's criticalities. We investigate the case of the Italian liquid biofuel niche, which offers a near-ideal laboratory for testing our methodological approach due to its recent slump. Our simulations show that the persistence of negative context conditions in the niche under investigation would be detrimental for all three niche development mechanisms – i.e., networking, learning, and convergence of expectations – and especially for the last one, thus providing a clear priority in setting the policy agenda. Additionally, the impact analysis highlights that the combination of different policy instruments better supports the niche mechanisms than the implementation of single instruments. Finally, our methodology enables identification of the most effective instrument mix by considering interactions and feedback effects among instruments.
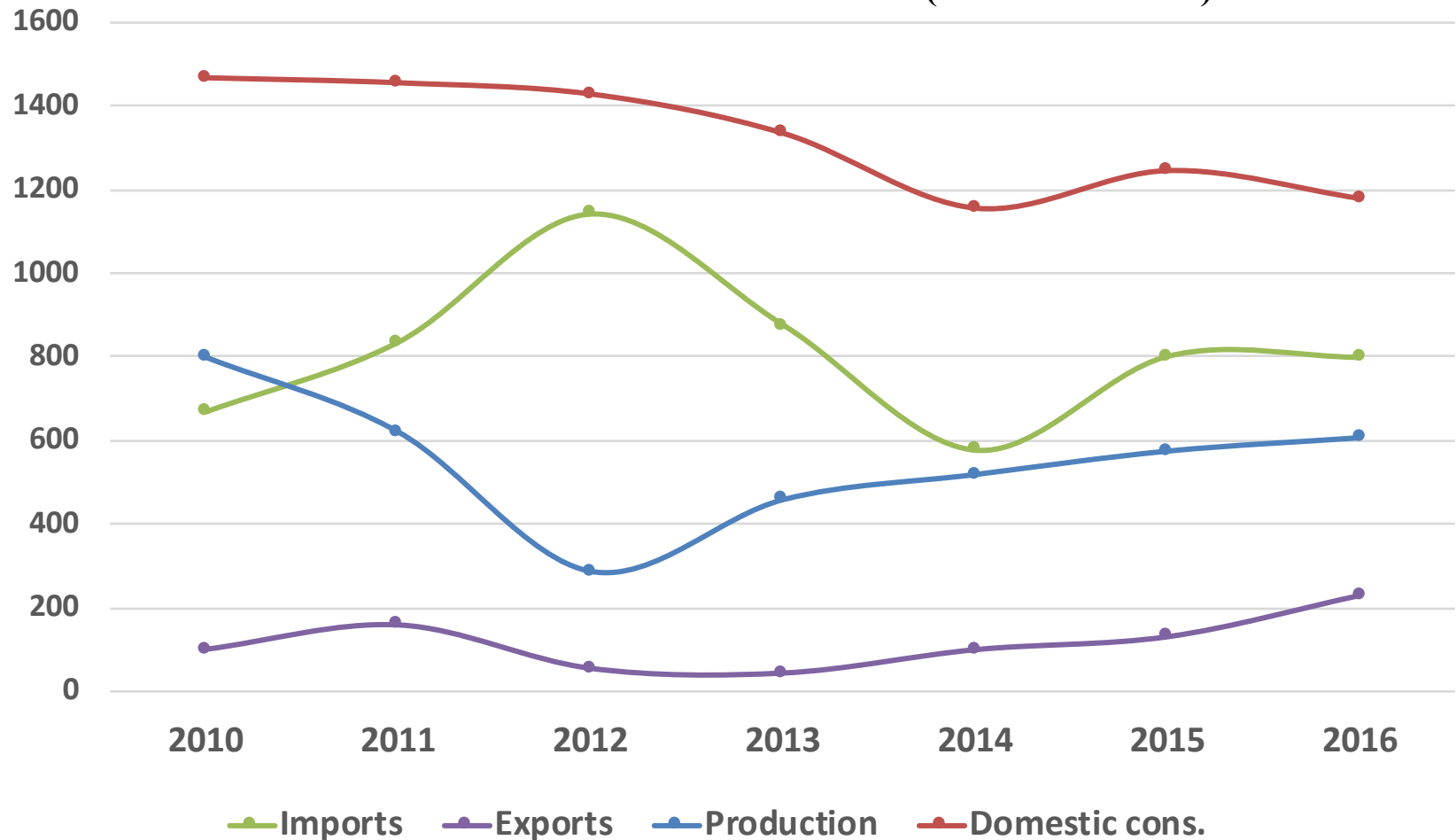
Literature and research objective

In the context of energy transitions, multi-level perspective (MLP) and social network analysis (SNM) might provide new insights for the identification of the niche weaknesses and/or sociotechnical regime opportunities that should be treated by appropriate public policies (Jacobsson and Bergek, 2011).

Research objective: this study provides a methodological approach capable of operationalizing the first phases of the policy cycle (i.e., agenda setting, impact analysis, policy formulation) in reference to the liquid biofuel niche in Italy.

Case study

Main indicators of the Italian biofuel sector (thousand tonnes)

Legend: Imports, Exports, Production, Domestic cons.

Methodology

The methodological approach is built upon the combination of:

➤ **Fuzzy cognitive maps (FCMs):** a graphical representation of the knowledge based on the perception of a given system.

➤ **Social network analysis (SNA):** the process of investigating social structures through the use of networks and graph theory.

This combination is conceived to:

(i)   elicit the niche development needs;

(ii) assess the implications of different policy interventions;

(iii) formulate the policy and define its structure.

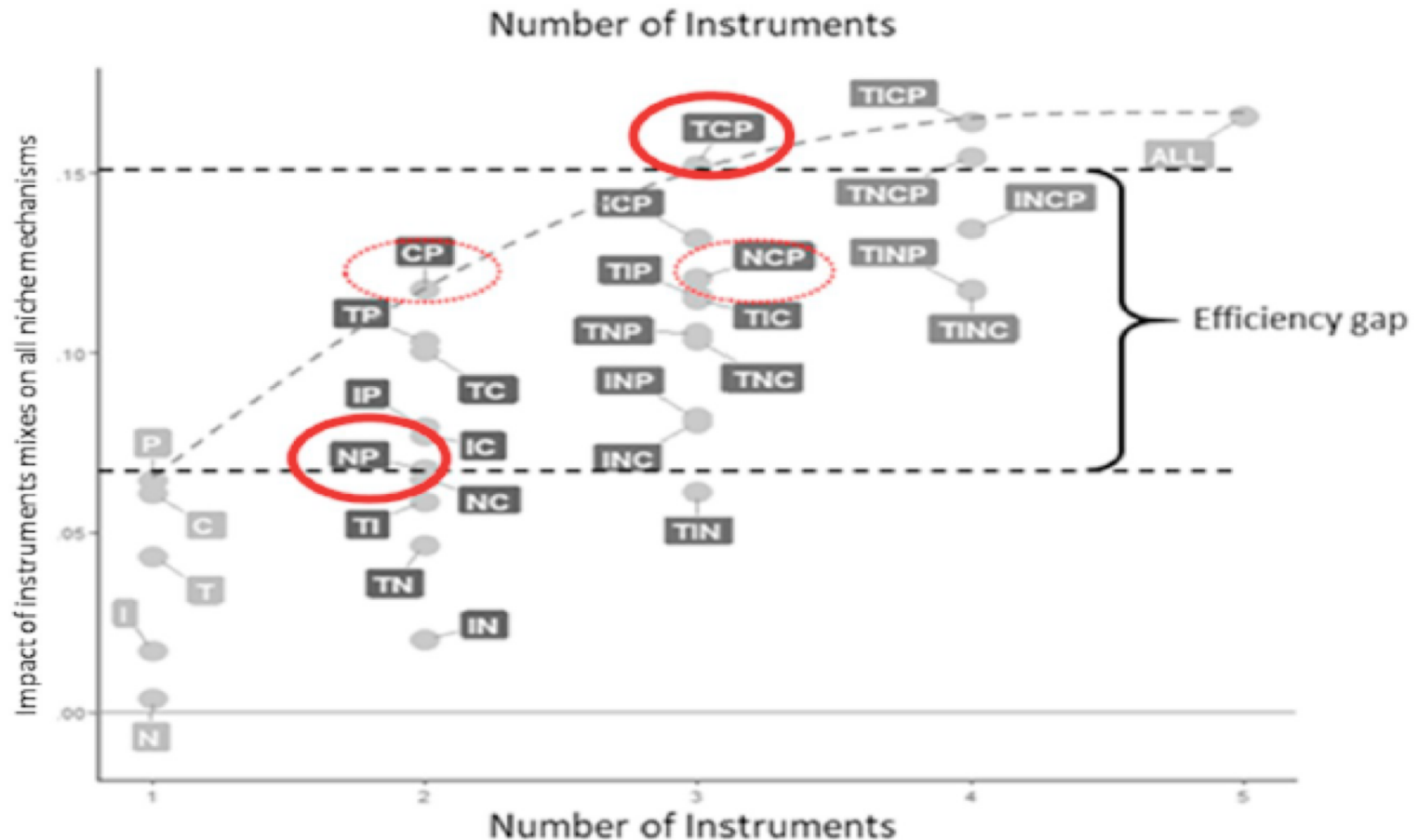# Results: the most effective mixes

The analysis has identified TCP among the major enablers for the niche development:

- **Taxes on traditional fuels** (T): pollution pay principle.

- **Cooperation:** Scientific and technological collaborations.

- **Public procurement:** commitment of public stakeholders to purchase parts of biofuel production

Discussions

- TCP (optimal mix) is quite different to the current policy in place: incentives and procurement.

Conclusions

In favouring the niche mechanisms, the analysis highlights that mixes of TCP instruments perform better than the implementation of the current mix.

Policy intervention should consider:

❖ The context-dependency of the investigated niche;

❖ The need to treat the tacit knowledge of stakeholders and sector experts;

❖ The crucial role of some specific actors (i.e. brokers).

Contacts and office hours

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