

Module 7.1: EVIDENCE BASED POLICY FORMULATION AND IMPLEMENTATION

Training course on “Multi-market models, data management and policy engagement for agricultural & livestock sector policy”

ILRI Policy & Foresight

October 2021



ReSAKSS ^{ECA}
East & Central Africa
Regional Strategic Analysis and Knowledge Support System

FACILITATED BY IFPRI & ILRI | A PROGRAM IN SUPPORT OF CAADP IMPLEMENTATION

Background

- Agriculture is a key sector in Kenya
- Efforts to fight poverty and spur economic growth inevitably revolve around the agricultural sector.
- Has potential to promote not only overall economic development but growth and expansion of the industrial sector.
- There is a broad consensus that if appropriate **agricultural policies** are identified and correctly implemented, persistent problems of poverty and food insecurity can be addressed.
- Despite its potential, agriculture sector still faces many challenges; chief among the are **poor policy formulation and implementation**

- In Kenya, the new constitution has made the agricultural policy formulation a bit more complex;
- The Fourth Schedule of the Constitution provides for devolution of specific functions in agriculture to the County Governments.
- There are some where the two levels of government have concurrent/overlapping functions:
- However, the National Government functions include:
 - Development of agriculture, livestock and fisheries policies, guidelines and standards;
 - Development of fishing (rivers, lakes, dams and marines);
 - Animal and plant genetic conservation;
 - Disaster management (drought risk mitigation, disease and pest outbreaks, floods); and
 - Capacity-building and technical assistance to the counties.

- The functions and powers of the county governments in agriculture, include:—
 - (a) crop and animal husbandry;
 - (b) livestock sale yards;
 - (c) county abattoirs;
 - (d) plant and animal disease control; and
 - (e) fisheries.

- For policies to be effective they should:-
 - Be formulated based on evidence
 - Their likely impacts should be analysed and understood
 - Be implemented effectively

Public Policy

What is public policy?

- The authoritative statements or actions of government which reflect the *decisions, values, or goals* of policymakers.
- The sum of government activities, whether pursued *directly* or *through agents*, as those activities have an influence on the lives of citizens.
- The combination of basic decisions, commitments, and actions made by those who hold or affect government positions of authority.

Characteristics of public policies

- **Problem-centred**: attempt to address specific problems affecting specified groups in the society such as farmers/pastoralists, investors disadvantaged groups etc
- Based on **scientific methods** to be able to convince stakeholders on reliability and some degree of objectivity;
- **Normative** – Not completely objective as value judgement cannot be entirely eliminated;
- Involves some **art, craft and persuasion** to marshal various interest groups especially the losers in a policy decision
- **Multi-disciplinary**: Good public policies incorporate ideas from different fields such as economics, sociology, biology, political science, etc

Why are Public Policies needed?

- Key economic for policy intervention is ***market failure***.
- Markets are said to have failed when they do not exist at all or when they are unable to allocate resources efficiently.
- Causes of market failure:-
 - Existence of monopolies or oligopolies;
 - Imperfect information;
 - Existence of externalities;
 - Inability of the private sector to provide public or collective goods and
 - Barriers to entry or exit

Existence of monopolies and oligopolies

- Monopolists and oligopolists enhance their profits by restricting output so as to charge higher prices for their products.
- They could also lower the quality of their products to increase their margins.
- It is incumbent upon the government to check these unscrupulous behaviours through appropriate public policies (*anti-trust laws*)

Imperfect information

- Decisions of consumers, for instance, are conditioned by the amount and quality of information available to them.
- Where information asymmetry exists, sellers take advantage and exploit consumers, either by selling inferior quality good or over-pricing the goods.
- Government intervenes to ensure that accurate and adequate information is availed by producers and sellers.



Externalities

- Unintended third party effects of activities of economic agents; either **positive** or **negative**.
- Positive when the third party derives benefits for which he/she is not charged (e.g. ambiance from tree planting) and
- Negative when the third party suffers harm or losses for which he/she is not compensated (e.g. pollution).
- Government intervene to force producers of negative externalities say by means of taxation.
- Producers of positive externalities need to be compensated



Provision of public goods

- It is not feasible to exclude non-paying individuals from consumption of pure public goods such from benefits of livestock vaccination campaigns (eg. Rinderpest vaccine) or public road/national security
- The government itself must be directly involved because it is able to fund the provision through taxes.



Barriers to entry or exit

- In competitive markets, firms are free to enter and exit a given industry without inhibitions.
- Barriers to entry or exit are said to exist when inhibitions to free entry and exit exists in a given market.
- Examples of barriers to entry include:-
 - i. **Advertising**; firms in the market make it difficult for new competitors by spending on advertising that new firms would find more difficult to afford..
 - ii. **Lack of capital**; new firms are unable to obtain the start-up capital such as equipment, building, and raw materials
 - iii. **Control of resources**;
 - iv. **Predatory pricing**; The practice of a dominant firm selling at a loss to make competition more difficult for new firms
 - v. Others include **economies of scale, customer royalty, distributor agreements**, and **government regulations** among others.

Policy Analysis

What is policy analysis?

- Policy analysis; process through which alternative policies are identified and evaluated with the ultimate goal of lessening or resolving social, economic, or physical problems.
- Policy analysis (what ‘should be’) is distinct from policy advice (what ‘can be done’).
- Economic analysis is distinguished into two forms;
 - Positive economics (“What is”) and
 - Normative economics (What ought to be or what should be”)
- The process includes;
 - Setting policy agendas;
 - legislating—developing laws, regulations and procedures; and
 - Implementing them
 - Monitoring and evaluating them..
- It is also about what happens on the ground; a policy is worth nothing unless it results in actual positive change.

Steps of policy analysis

Step 1: Define and analyse the problem

- Most critical; the policy analyst examines the various dimensions of the problem using questions such as:
 - What is the problem?
 - Who is affected and in what magnitude?
 - What are the causes and the progression?
- The analyst attempts to frame the problem in concrete terms and to develop a statement that gives a clear understanding of the multidimensionality of the problems (e.g. technical, political, economic, cultural dimensions).

Step 2: Develop policy alternatives

- Policy alternatives are possible solutions to the problem.
- To develop policy alternatives, the analyst addresses such questions as:
 - What might be the possible solutions?
 - What are the most important steps?
- Possible alternatives include maintaining the status quo i.e. "do nothing approach" and any other that can benefit the outcome
- Learn from the past experiences and from other groups to create a more thorough analysis and understanding.
- Avoid settling prematurely on a certain number of options in this step;
 - Begin with as many options as possible before settling into a reduced number of alternatives.

Step 3: Select the evaluation criteria

- Choice of evaluation criteria depends on the problem being solved and the circumstances under which the policy will be implemented.
- The analyst, has to select the criteria upon which he/she will assess the policy alternatives.
- Possible evaluation criteria include;
 - Effectiveness, efficiency, equity, political feasibility, administrative ease among others.

Step 4: Assess the policy alternatives

- Based on selected evaluation criteria, an objective assessment is carried out to determine which policy alternatives are likely to yield the desired results.
- Based on the findings, the policy alternatives are ranked to provide evidence upon which conclusions are drawn.

Step 5: Make conclusion

- The aim is to display and distinguish among policy alternatives.
- It can take the form of a summary, indicating the costs and benefits as well as the problems of each policy action, or a matrix.
- The analyst gives his/her findings on the viability of different policy alternatives or their combinations.
- The analyst, simply articulates the findings and lets the policy maker to decide which alternative to adopt

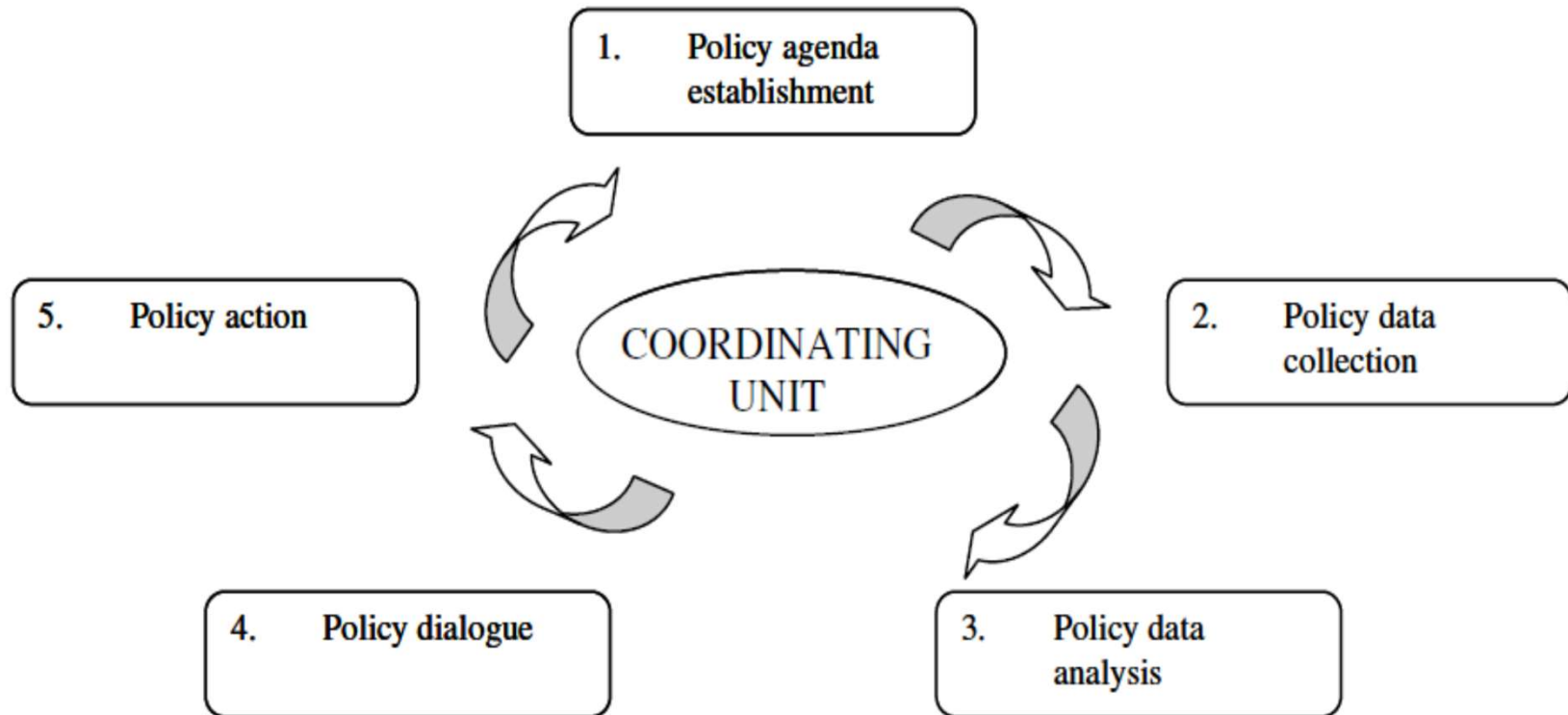
Step 6: Monitor and evaluate the implemented policy

- In most cases, the policy analyst is not involved in the implementation of the selected policy alternative.
- But ideally policy analysts should take part in monitoring and evaluation of the policy being implemented.

Policy Cycle (I)

- Situations keep on changing continually, it becomes necessary to occasionally review and reshape the existing policies especially the high-level policies to reflect the changing situations.
- This review is creates the policy cycle which has several distinct stages summarised on the next slide:-

Policy cycle (2)



Understanding Policy Making Processes

- Policy processes, encompasses the complex relationship between research expertise and political interests, public participation etc

- Successful policy engagement strategy requires;
 - Ability to frame the policy issue
 - Understanding of the dynamics of both formal and informal processes of policy and decision-making.

- To effectively influence policy, there is need for;
 - Detailed understanding of the actors in the policy processes and their networks,
 - Their discourses and narratives, and the
 - Institutional environments and power relations within which these decision makers are embedded.

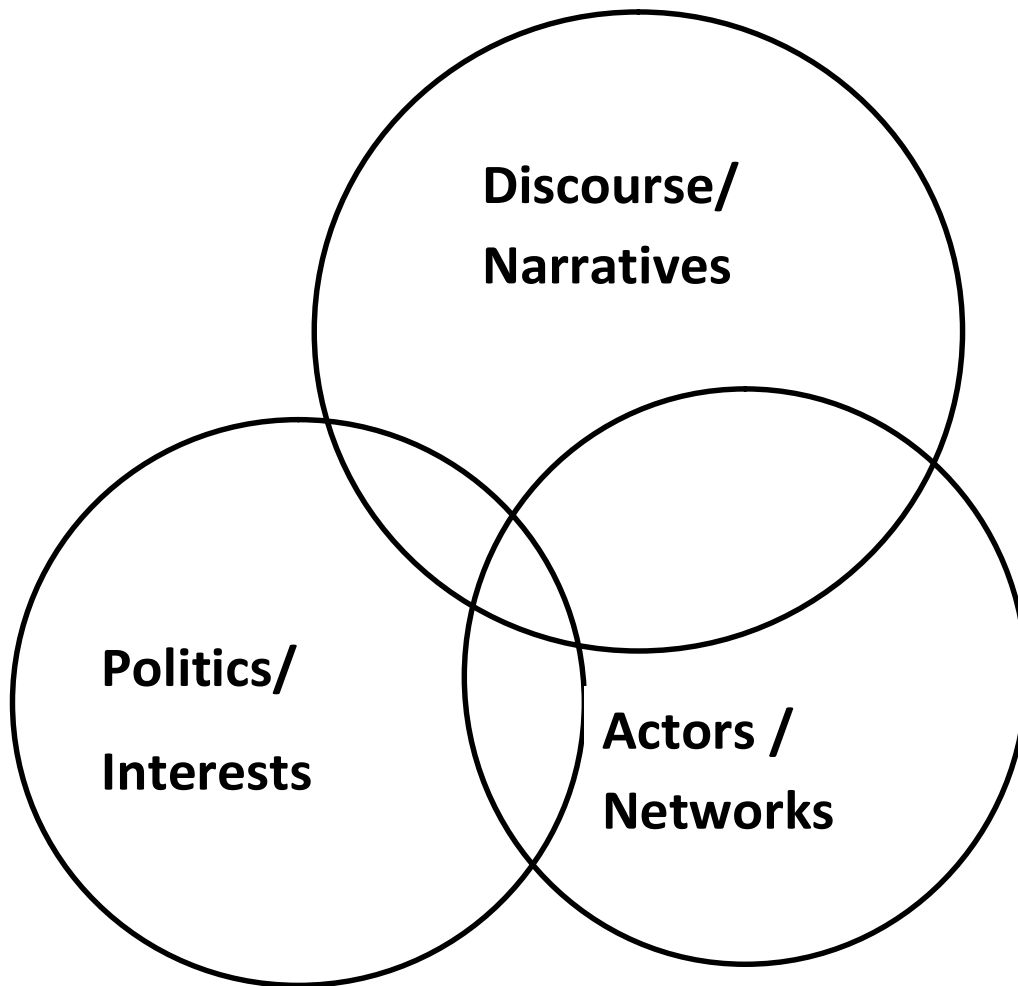
- To understand policy process the following questions must be answered:-
 - How do policies get created and by whom?
 - How do ideas about what makes a 'good' policy evolve and change over time?
 - Whose voices and views are taken into account in the policy process?
 - How are boundaries drawn around problems and policy storylines elaborated?

- Understanding policy process sheds light on how certain policy views become dominant at the expense of others or how new ones are created over time.

Policy process model

- The three key concepts provide a framework for understanding of policy processes and allow us to put some order on the 'chaos of purposes and accidents' that characterizes the policy (Keeley and Scoones, 2003):-
 - Actors/Networks
 - Discourses/Narratives
 - Politics/Interests

- These different perspectives on understanding policy change overlap.



**Discourse/
Narratives**

**Politics/
Interests**

**Actors /
Networks**

Policy Narratives

- Policy narratives [dominant '*received wisdoms*'] are stories with a beginning, middle and end that describe events, or define the world in certain ways, and that shape policy decisions.
- These cause and effect story lines define a problem, explain how it comes about and show what needs to be done to avert disaster or bring about a happy ending: what is wrong and how it must be put right.
- They often gain validity despite (or even because of) the fact that they frequently simplify complex issues and processes.
- This is what makes simple narratives appealing to politicians or managers
- Some narratives tend to gain more authority, and persist at the expense of others, and hence have more bearing on policy decisions.
- Many of these narratives were untrue or that they suggest solutions that have caused further problems.

- Narratives often cause ‘blueprint’ policy, that is, a prescribed set of solutions to an issue used at times and in places where it may not be applicable.
- Received wisdoms/narratives can stick with great tenacity, despite contrary perspectives and practices. Why?;
 - Suit certain political interests.
 - Make for good sound-bite political marketing, and they fit well with the demands for clarity and measurable manageability of large-scale bureaucratic organisation.
 - The storylines and metaphors are so taken for granted that they limit thinking about particular areas
 - They become embedded in particular institutional structures or actor-network groups.
- Narratives reduce the ‘room for manoeuvre’ or ‘policy space’ of policy makers, that is, their ability to think about new alternatives or different approaches.

- Policy narratives can be better understood by answering the following questions;
 - What is the narrative?
 - What is the basic problem being addressed – how is it framed?
 - What sources of information or experience helped share this view?
 - Whose interests and perspectives are included and excluded?
 - Who does the narrative bring to centre stage?
 - Who gets more power, who gets more resources from this narrative?
 - Whose perspectives and interests are ignored?
 - How could this be reframed?
 - If the problem is set up like this, where will we end up concentrating our energies?

- Which groups need to be repositioned in the narrative?
- Are there any other ways of looking at the problem?
- Are there issues being left off the map?
- How can we make coherent links between these excluded issues, perspectives and groups?
- What might be a counter-narrative?
- Is the story clear and simple?
- Does it suggest a course of action?
- Does it acknowledge complexity and uncertainty?

Political interests

- Policy is inherently political and contested; politics shapes policy processes
- The political context includes factors such as the interests of the incumbent authorities to remain in power.
- Competition also exists between groups in society, based on their differing interests with regard to, for example, allocation of resources, or social interests.
- The policy process is influenced by a range of interest groups that exert power and authority over policy-making.
- These influences affect each stage of the process from agenda setting, to the identification of alternatives, weighing up the options, choosing the most favourable and implementing it.

- The vested interests of various actors in policy - government agents, officials of donor organisations, and independent 'experts' might be served by the perpetuation of certain narratives.
- Policy is set out as objective, neutral, value-free, and is often termed in legal or scientific language, which emphasises its rationality.
- In this way, the political nature of the policy is hidden by the use of technical language, which emphasises rationality and objectivity.
- But the technical is always in some way political.
- Bureaucrats are not just neutral executors of policy, but have their own personal and political agendas to negotiate.

- To better understand the political interests in policy process, the following questions should be addressed:-
 - Who is engaged in the policy process?
 - How many stakeholders are there?
 - Is there political interest in change?
 - What is the macro-political context (democracy, governance, media freedom, academic freedom)? + External environment: 'war on terror', CAADP, PRSP processes (i.e. big incentives); impact of key donors

- Are there clear vested interests in this policy area?
- Is the process essentially inside a bureaucracy or outside?
- How much capacity exists within the bureaucracy to reflect on policy aims and management?
- What types of informal relationships occur within a bureaucracy? Are certain ministries or departments dominated by people from one geographical area, disciplinary background, political party or academic institution?
- What is the room for manoeuvre for pushing different ways of doing things (what 'policy spaces' exist?)

Using evidence to influence policy: Key Issues

- What affects whether evidence/research influences policy?
- Two key issues:-
 1. **Credibility of the researchers, methods used and the degree of consensus in the research community**
 2. **Communication strategy (or lack of it)**

Credibility and consensus

- Nature and quality of evidence is important for policy uptake
- Key issues here include the following:-
 - Relevance;
 - Credibility and
 - Whether the evidence is providing solutions

Communication and packaging (I)

- Two distinctive issues:-
 1. Communicating substantive evidence and
 2. Building advocacy coalitions

Communication and packaging (2)

- A clear communication strategy is needed throughout the research process
- Make the evidence easy to understand
- Rather than use linear model of communication [Sender-Message-Channel-Receipient] use more interactive approaches
- In the long term strive to build strong and wide advocacy coalitions...
- It is extremely rare that a single piece of research leads to policy change!

Communication and packaging (2)

- Build advocacy networks;
 - Formal and informal networks are essential component of influencing policy
 - Need to engage with relevant official & unofficial networks of similar minded actors to influence policy processes

Thank you all for listening!