

*How Policy Development Really Works:
A Simple Guide for Aspiring Policy Entrepreneurs*

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Why We Fail

Too many people who want to do good things end up failing along the way. There are many reasons why, but the main one is that they fail to consider all the ingredients necessary to succeed. This may sound like common sense, but the scarcity with which publicly-minded people think this way proves it's not.

Most failure is not the result of incompetence. It's not because of low IQ. It's not even because people are beholden to the wrong political ideology. It's simply because people try to succeed by cutting corners and neglecting some of the essential ingredients of success.

Why We Succeed

The most common way you will begin to assume leadership responsibilities in public policy will be your work to help a governor, mayor, member of a legislature, or an appointed public official address an important issue. Or, in the private sector, you may be helping your boss at a nonprofit or a business who is wrestling with a public policy issue that affects your organization's mission. In either case what follows is a series of steps that are essential if you want to succeed.

Most effective policy advisors to an elected official or senior executive go through the series of similar steps, whether they do so self-consciously or not. Effective policy operations involving more than one person (such as an advisory council, a policy council in the White House or a governor's office, or a caucus or committee staff within a legislature) also develop policy this way. Such groups will often align job descriptions with the various steps you'll see in the pages that follow.

More specifically, if you're setting up a policy shop of some sort, you'll have someone in charge (e.g., Executive Director), policy assistants with responsibility over specific issues, data and research assistants, liaisons to industry and elected bodies, and communicators. They all should be involved from the very beginning.

Step One: Isolate the Problem You Are Trying to Fix

Too many problems we want to address are thought about in overly general terms. We want to address "student loans." We are worried about "childhood obesity." We know we need to address "climate change."

Various legislators, activists, TV pundits and bloggers gin up interest in an issue, and a governor or mayor or president will feel that she or he needs to "do something" about the issue. What they do often depends on whom they consult and whatever evidence that particular "whom" brings to the table.

We Often Mis-Identify the Problem

Take the “childhood obesity” example. We noticed a decade or so ago that American children were getting, well, a lot bigger. They weren’t getting taller. They were gaining too much weight. Foundations, businesses, and nonprofits launched initiatives to counteract childhood obesity. One target became vending machines at schools. Efforts were made to ensure that some healthy options could be found in the vending machines and that fewer high-calorie options were in the mix.

Most people who looked at the issue with any rigor knew that children consumed very few of their overall daily calories from vending machines. The truth, actually, was that children consumed the most calories between 3:00 p.m. and 6:00 p.m. After school, loaded down with potato chips and soda, children were sitting in front of the TV, playing games, hanging out. But vending machines are in schools, and it’s easier to design policy and initiatives that deal with schools. It’s much harder to do anything about how children spend their time after school before mom and dad get home. So, unsurprisingly, there has not been an iota of success in the efforts to bring down the average child’s body mass in America by making vending machines “healthier.”

The problem, obviously, is that the issue was isolated incorrectly. The problem isn’t “childhood obesity.” The problem is “children eating fatty, calorie-rich food after school.” It’s also that families have poor dietary habits at home. Obese children often have obese parents. Whatever the source of the obesity, it’s probably least likely to be vending machines at school.

If instead the problem you’re trying to fix is sluggish job creation, you want to understand the factors that affect job creation. You might be reading a lot of blogs and magazine articles about the decline of manufacturing, and it looks like the decline in manufacturing jobs matches the trend you’re seeing with the overall decline in job creation. You and your advisors conclude that manufacturing is intricately related to the job creation problem in America. Your primary donors (you are an elected official after all) include some pretty big manufacturers. You regularly call them for advice on economic trends, so when they tell you that America’s job creation problem is related to manufacturing, you don’t even question their counsel.

But you and your team are unaware of the work being done by a few creative analysts who note that the rate of startups in America has been in decline for awhile. These analysts also note that jobs over the past twenty years are mostly created by young companies – startups or recent startups.

You conclude that the job creation problem is a manufacturing problem. But it isn’t. It turns out the problem is a flagging startup problem. The tax credits you have advocated for manufacturers and the subsidies you have pushed for specific manufacturing sectors have been good for manufacturers, but the job creation rate stays mainly flat. You didn’t identify the problem correctly.

Don’t Just Look at the Issue from One Side

If you care about an issue, you want to start reading about it from several angles. Pick writers who all care about the issue but don't agree on its nature or how to solve it. Familiarize yourself with all sides of the issue, not just those that you tend to agree with. There's evidence that with the explosion of diverse viewpoints in the blogosphere, social media, and online news sources over the past decade, most Americans are actually reading *less* material they disagree with. Instead of all this newfound diversity giving us exposure to multiple viewpoints, we have tended to closet ourselves into viewpoints we like.

To be an effective leader, or at least to start designing the right solution to a problem you care about, don't become part of that trend. Look at all sides and start to understand the assumptions underlying the various viewpoints.

As you do this, you will simultaneously begin to dive into the evidence for various viewpoints. Part of the challenge in rightly identifying the problem is to rightly identify the data and the numbers that help you understand it, which brings us to the next point.

Step Two: Get the Data on Demographics and Trends

Fifteen years ago, you may have returned from a Peace Corps stint in Africa determined to devote yourself to the fight against AIDS that was ravaging the continent. You had been exposed to the issue just enough while in Africa that it's gotten a hold of you. You want to make a difference and do something about it.

You join a reputable NGO and find yourself stuck within a nonprofit bureaucracy making sure boxes of condoms get to your partners on the ground in Namibia or Zaire or Uganda. You occasionally fly over to the continent and help local doctors treat patients with full-blown AIDS, which is heart-breaking. You make sure local doctors are ensuring that every man they see walks out of the clinic with the appropriate protection. Some brochures about HIV get sent around the village.

But over the course of your first two years on the job, the problem just keeps getting worse. Death is all around the village you had visited. No one expects anyone to live beyond 30. What's going on?

Seek Evidence-Based Epiphanies

You start to talk with doctors from Georgetown University in Washington, DC, where your organization is based, who spend a lot of time studying the spread of HIV in Africa. Over the course of a few months, after studying their charts, graphs, and various models, you learn that the spread of HIV is very closely connected to the trucking routes running all over the continent. Prostitution is rampant along those routes. The men who travel the routes have multiple sex partners back home. You begin to understand where the critical mass is when it comes to the spread of the virus. You also learn from reports of focus groups in villages in Africa that a very high percentage of people still don't know how HIV is transmitted. You realize that even though you have always known that

unprotected sex with multiple partners is a sure route to STDs, a sizeable portion of the African population where your group works have never heard that and learned how to live accordingly. You also learn about the higher percentage of transmission among men who are circumcised.

You've now got data, and the road to possible solutions begins to reveal itself.

The foregoing paragraphs are a simplistic version of what happened in the fight against AIDS in Africa over the past fifteen years. As we began to let go of our own hypotheses of why and how HIV was spreading and began to learn about it in detail, we could design the right interventions. Fortunately, the development of effective anti-retroviral drugs happened during this time, making our interventions all the more effective.

In a much shorter period of time than anyone thought possible, we have seen the incidence of AIDS plummet in villages all over Africa. The "Lazarus effect," when someone everyone thought was on the verge of death bounces back to health, has inspired hope in the future. The tide has turned.

It turned because our understanding of what was driving HIV and AIDS improved. And our understanding improved because we had better data, a better grasp on trends, and a portfolio of evidence that we hadn't had before. Seeking epiphanies through evidence can save lives.

The Big Three

Gathering the best data and evidence for the issue you're exploring is essential. In today's world, no effective public policy leader can push an agenda that is not grounded in reality, and reality in public policy work is known through three basic things:

1. **Data:** information usually stored in databases by the government, though universities and private companies also maintain databases that provide sources of original information
2. **Trends:** data analyzed over time according to various demographic and other indicators
3. **Judgments:** you have to be careful with this one, but you also want to look at the opinions of experts on the data and trends

Some Data Sources You Should Know

Depending on the issue you are exploring, you'll want to keep data sources such as the following in mind. This is not an exhaustive list but rather a starter list for some of the basic information and data used to deal with a lot of public policy issues:

- **Census Bureau:** the main source of household, income, poverty and demographic data
- **Bureau of Labor Statistics (BLS):** a main source of jobs and economic data
- **Bureau of Economic Analysis (BEA):** another major source of economic data

- Federal Reserve: several of the locations (e.g., St. Louis and Dallas) keep current trend data on the economy and labor force
- CDC: a major source of health data including birth and mortality rates
- National Center for Education Statistics: your main repository of education-related information
- Panel Study of Income Dynamics: maintained by the University of Michigan, an important source for changing household, demographic, etc., trends. Other panel studies also exist that you can google.
- OECD, World Bank, IMF: these are all important sources of information of all types when comparing the U.S. and other countries
- Associations: just about every industry a national association to represent its interests, and many of them have their own researchers on staff who collect and analyze data. For instance, the Realtors and National Association of Home Builders are important sources of original information on homeownership and housing markets.

Again, this is not the complete list to help you with any and all research. Far from it. It is merely a sampling of frequently-used sources. If you start exploring these and similar sites, you'll find links to other sources that may be more helpful for what you're trying to achieve.

A word about Wikipedia: it is NOT a source you can or should cite when developing policy. However, there are often useful links to official and reliable sources in Wiki articles about various topics. So there's nothing wrong with using a Wiki page to find links to data sources that you can cite as reliable.

Another important source of data and information is scholars themselves. As you are researching a topic, take note of Professor This-or-That who shows up prominently on a few google hits. If she or he has written about your topic in a way that is useful, it won't take you long to find the relevant home page and the professor's contact information. A lot of academics are flattered to have someone interested in your work and will be willing to take your call or respond to a message. So don't be shy about approaching a scholar whose work interests you. The worse can happen is they don't reply.

There will always be more data out there than you have time to sift through. Try to isolate the data, trends, and judgments that help explain the problem you're focusing on the best. Use the data to help you understand what the underlying problem might really be. And remember, if your data shows that children are consuming a much higher quantity of calories and fatty foods between 3:00 p.m. and 6:00 p.m., then banning vending machines in schools probably won't fix the problem!

Step Three: Figure Out Who Else is Working on This

After you start getting your mind around an issue by diving into data, trends, and the judgments of experts, start looking around at who else is trying to solve the problem.

Find Your Niche

Take the issue of high school dropouts. It's pretty alarming when you consider that for years, nearly 30 percent of high school students drop out before graduation, and that figure rises to nearly 50 percent in some minority communities.

When the authors of *The Silent Epidemic* set out to tackle the dropout issue with the support of the Gates Foundation in 2006, they found that myriad studies and organizations had been focused on the issue for some time. But after going through steps One and Two, they realized that for all the work done on the issue, one area had been glossed over: surveys and focus groups of actual high school dropouts.

So, the authors contracted with a reputable public opinion research firm and conducted both a survey and focus groups around the country. The results cast a new light on reasons why students leave school, and on the characteristics of the students. We learned from the report that many of the students were not actually failing. We also learned that overwhelmingly they thought an involved adult in their lives would have made all the differences. And almost universally, they realized that having dropped out had hurt their life prospects – nearly all regretted their decision.

As the report gained traction, it became apparent that for all the interest in the dropout issue, the various organizations working on it had never come together to form an agenda that Congress, state legislators and governors, principals and teachers could adopt. And so in May 2007 a national summit was formed with partners as diverse as MTV, the National Governors Association, the Gates Foundation and TIME magazine to work through and announce practical policy steps toward tackling the issue. It's too soon to tell if the long-term results will be as positive as everyone hoped at the time, but clearly states and federal officials have both trained their sites more directly on some of the main reasons why students leave school, and they have adopted a number of measures aimed at making school completion more likely.

Get Deflated, then Pumped Back Up

Anytime you take on an issue you care about, you almost always go through a phase in which your enthusiasm gets dampened as you learn that others have beaten you to the punch. You think you've identified a new solution to a problem only to find out other organizations are already fast at work on it.

Don't stay deflated for long. Use the exploration phase as a chance to understand the issue better than you do already, and reach out to those at work on it. You may find that they themselves will help you see what else needs doing rather than being defensive about their "ownership" of the issue. Territorial squabbles are always everywhere present in public policy, and yet many people working on an issue know where the gaps are and where they need help.

So as you seek to better understand your issue, do your google searches to find out who else is working on the issue. But then get on the phone or start emailing the groups and get to know who'd doing what, and where you might fit into the equation.

Step Four: Identify Which Laws and Other Solutions Have been Tried

As you discover who else is working on an issue, you'll also want to identify the public policy solutions that have been tried in the past. There may very well be a defunct government program that once tried to do what it is you're thinking of doing – understanding why it's now defunct is important!

Do You Want to Add to What's Already Going On?

Has Congress passed a law pertaining to your issue? Has the EPA or the Department of Energy tried regulating aspects of the issue in the past? How has policy changed over time? Many building materials were unregulated in the past. Now, as various agencies at both the federal and local level attach requirements to building materials and how they are assembled, we have safer and greener building materials – which are also much more expensive in many cases and places. Is it worth every house costing \$40,000 more because of these? Do you want to add more that will sacrifice affordability in the name of safety and environmental sustainability? Maybe. Maybe not. But to figure out the effects of what you're proposing to do, it's good to look at how previous attempts to apply policies to your area of interest have fared.

Maybe Other Good Ideas Like Yours Have Gone Bad

In some cases, policies that everyone thinks are creating a public good begin to fail and create unforeseen problems. What was good becomes bad. This is a simple way of describing the run-up to the housing crisis in 2007. Even critics of Fannie Mae and Freddie Mac could be found celebrating the overall goal of increasing homeownership in America and doing so by making credit as cheap as possible. Policymakers tried (but failed) to create a zero downpayment program in the FHA to help low-income families buy homes without putting any skin in the game. Keeping interest rates low was a way of giving as many Americans as possible access to the time-honored asset-above-all-assets, a home. But as housing markets started nose-diving in 2007, followed by financial markets in 2008, the policies aimed at boosting homeownership were quickly seen as largely destructive. Promoting cheap credit suddenly became a destructive force, not a force for good. Whether you are trying to figure out how to expand credit to middle-income homebuyers in today's tight credit market, or trying to prevent another credit bubble, you'll want to study and understand the history before and after 2007 thoroughly.

Good Ideas May Fail Not Because the Policy is Flawed, but Because the Implementation is Flawed

In other cases a good idea may have been tried, but it didn't work so well because of problems in execution. Take competitive outsourcing. Since the early 1990s, privatizing public services by bidding them out to private companies has

grown as a practice. It began as a fad, then became something of a movement. But in many cases it ended up not revolutionizing the service quality and budgets of the governments that practiced it. This was often not because the idea was bad, but because governments had public employees with little understanding of the dynamics of competition involved. When someone like Mitch Daniels, Governor of Indiana, comes along, you find it working incredibly well. Why? Because Daniels got people who did competitive deals for a living running things. Suddenly, Indiana began saving millions upon millions of dollars simply because the best people with the best skills were doing the job.

In summary, if the issue that you're working on calls for new solutions and policies, odds are that someone somewhere has tried to formulate solutions and policies for the issue in the past. Not always, but usually. Your job is to get as educated as possible on what others have done and be able to describe why it worked or failed.

Step Five: Lay Out Your Idea and Why it's THE ANSWER

Okay, now that you've mined for data, explored the landscape of practitioners and policymakers, and looked at previous policy efforts, you're ready to lay out your proposed policy solution. By now, you've gotten a good sense of the scope of the challenge you're trying to address and what the lay of the land looks like.

So whether you're proposing to increase math scores among children in failing schools, create tax breaks for alternative energy development, or improve health outcomes of schoolchildren in Burundi, you now have a much better grasp on the issue than when you began.

Two Big Issues You Always Need to Address

As you propose your idea, you will need to ensure that it takes into account the following two realities. If you don't, the Governor or President or Senator or Commissioner will ask you questions you can't answer, and you'll be sent back to the drawing board – or you might be sent packing.

The economic landscape. Is the economy strong, weak, or muddling along? The health of the economy affects several important things: when it's strong, the revenues to the treasury go up; when it's weak, there's more unemployment and greater need for public services just as the revenues are going down. And so on. Economic growth is always uneven, too, so periods of growth in the past may have expressed themselves in terms of more manufacturing jobs, whereas more recently it's been the health care sector that's grown a lot. That changes whose suffering the most from unemployment and disinvestment from one economic cycle to another. Factors like these create the economic environment in which you are pushing your idea.

The budget landscape: Every public policy priority costs something. If you are proposing a policy goal that is going to increase spending, remember

that money doesn't grow on trees even if the Treasury seems fine printing more of it. You're going to have to say where you plan to cut elsewhere. "How are we going to pay for this?" is one of the most frequently-asked questions in a policy planning meeting. You have to take funds from elsewhere. If, instead, you say you're going to raise taxes, say which taxes and remember the first point: how changing taxes will affect economic activity.

Any public policy idea is always going to be faced with economic realities and the public budget. The two are intimately related. The revenue to pay for your policy goals comes from the taxes on economic activity. Both need to be considered in your recommendation for action.

So be bold with your policy solution. But never let it get unhinged from the dollars-and-cents realities that constrain and define it.

Step Six: Lay Out Arguments from Smart People Who Disagree with Your Idea

Your policy idea is undoubtedly good. But...you will want to explain whether your colleagues who have also reviewed the idea agree with you or suggest a different approach. The smartest policy development happens in conversation with others who work with you or with experts outside your office whom you trust and whose opinion you value. The best formulation is something like:

Option A: I recommend that we...

Option B: Your top economist [or political advisor or business liaison or whomever] agrees in general but thinks we should...

Option C: Your budget director [or whomever] is concerned that...and proposes...

Option D: Dr. Whatshisname, an expert in the matter and supporter of yours, disagrees with our recommendation and has proposed instead...

Only when you have openly and honestly considered dissenting views from trusted team members can an informed decision be made about the issue at hand and how to proceed.

Step Seven: Identify Who Will Be Really Upset with Your Idea, Who Will Love it, and How Each Should be Dealt With

From the very beginning of the policy process, you need to involve your communicators and your liaisons to the legislature, interest groups, and businesses. Policymaking never happens in a vacuum. If you concoct some solution to a problem and then dump it on your media relations person, he or she will be in a tough spot (and probably upset with you).

Policymaking is a public activity, even if it starts behind closed doors. For this reason, you need to make sure the people who will be defending the policy work to the media or to interested stakeholders are able to inform the policy process from the start.

Let's take a look at the people you should involve from the beginning:

Communications directors and press secretaries: If you're Bill Clinton and getting ready to sign a welfare reform bill that the congressional Republicans designed to impose work requirements on welfare recipients, you're going to need to explain why in the world you as a Democrat support such a policy. If you're George W. Bush and you're proposing to put 30,000 additional troops in Iraq (the "surge") when everyone and his grandmother is saying you're crazy, you'll need to know how both liberals and conservatives (who both are alarmed by the idea) will react. From the beginning, the people who know the reporters, bloggers, editorial page editors, and cable news producers should be on hand to advise you about how the media will react.

Liaisons to the political class. Interest groups, lobbyists, advocates, activists, and other people who influence elected officials more than the people who voted them into office will either help or derail what you're trying to do. You don't want to surprise any of them. But you also don't want to tip them off to what you're doing if that would prompt them to resist your efforts before you can roll out your policy reform. Be sure to include your legislative and interest group representatives from the start. They will often be the ones who end up guiding your idea successfully across the finish line.

Liaisons to the business class. The interests of private companies are intertwined with politics, especially the more that politicians find ways to regulate, tax, and direct private enterprise, and the more business leaders find ways to influence politicians. Any time you're looking to create new policy that will affect jobs, businesses, and entrepreneurs, you need to make sure that someone on your team is preparing those groups for your idea. You also want them supporting it and helping figure out how to implement it.

If one of the foregoing seven steps is skipped, you may score a political victory by getting a policy approved, but it will likely start coming off the rails not too long after.

There are plenty of pitfalls that threaten your policy success even if you do faithfully adhere to all seven steps, but you will greatly increase your odds of success if you take each of them seriously.