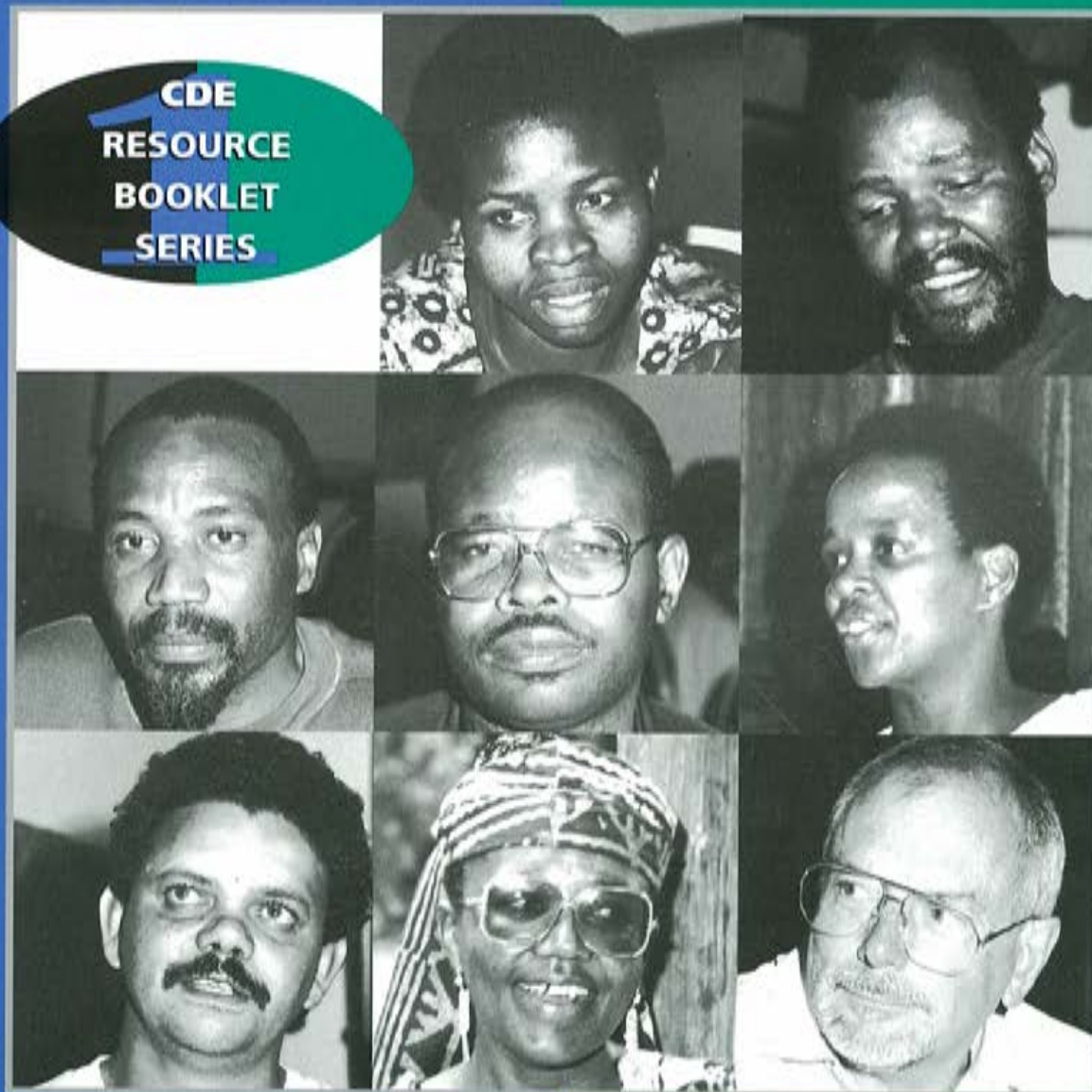


BUILDING POLICY SKILLS IN SOUTH AFRICA

1
CDE
RESOURCE
BOOKLET
SERIES



A RESOURCE DOCUMENT ON POLICY ANALYSIS



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CDE RESOURCE BOOKLET SERIES

The **CDE Resource Booklet Series** presents topics of practical everyday interest to community organisations, development-oriented government departments, local government bodies, forums and capacity-building agencies. The Resource Booklets have a 'how to' emphasis, and seek to empower those responsible for development delivery in South Africa. Typically, the publications are based on joint initiatives between the Centre for Development and Enterprise and organisations in the business of making development happen. The CDE Resource Booklet Series incorporates and extends the resource booklet initiative pioneered by the Urban Foundation's Development Strategy and Policy Unit. Titles are listed on the inside back cover.

SERIES EDITOR

Ann Bernstein

ABOUT THIS DOCUMENT

The material that follows is based on a workshop on policy skills, hosted by the Development Strategy and Policy Unit (DSPU) of the Urban Foundation and the Kagiso Trust and presented in conjunction with the Kennedy School of Government, Harvard University. Following the closure of the Urban Foundation, the Centre for Development and Enterprise is the successor to the DSPU.

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BACKGROUND

The idea of a workshop on policy skills was born during discussions in 1992 between Ann Bernstein of the Urban Foundation (now executive director of the Centre for Development and Enterprise) and Prof Herman 'Dutch' Leonard of the Kennedy School of Government at Harvard University. Both felt the urgency of building policy capacity in the emerging democratic South Africa, and the workshop grew out of that concern.

Eric Molobi of the Kagiso Trust agreed to become a partner in the early planning stages, and worked with the Kennedy School and the Urban Foundation to bring the workshop initiative to reality. The workshop was held at Dikhololo Conference Centre in January 1994. It was led by Dutch Leonard and two Kennedy School colleagues, Pete Zimmerman, Associate Dean of Teaching Programmes, and Prof John Thomas.

As South Africa plans for the future, policy-making has become critically important: it captures visions of the society we wish to become, and lays out ways to get there. During the apartheid years, public policy reflected a minority perspective, and united a broad front of opposition. Now that democracy has a foothold, the challenge is to formulate policies that deepen and entrench it. To do this, public policies must be practical and sustainable.

The new democratic South Africa must avoid the policy elitism of the apartheid era. We have to learn to discuss and debate policy openly, and to carefully evaluate diverse viewpoints. There are encouraging signs of a new openness in the formulation of public policy, but South Africans still have very limited experience of systematic policy analysis and informed policy dialogue, in which varying interests put forward different policy options.

The critical challenge now is to *ensure that policy-makers and all stakeholders in the state and civil society have the skills to pose policy questions, to evaluate alternatives, and to anticipate the intended and unintended consequences of favoured policy initiatives.*

This booklet seeks to build such skills, and to make them widely accessible. The focus is not on the substance of policy in South Africa. Instead, the intention is to present a practical 'hands-on' manual outlining some of the well-used tools that can be used to scrutinise and evaluate policy – whatever its content, objectives, and area of implementation.

CDE acknowledges the financial support of the following organisations in completing this work:

- the Harvard Southern African Programme Trust, with funds made possible by a contribution from United Technologies Corporation;
- the Kagiso Trust; and
- the Urban Foundation.

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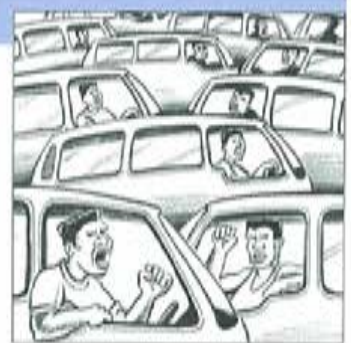
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“The critical challenge now is to ensure that policy-makers and all stakeholders in the state and civil society have the skills to pose policy questions, evaluate alternatives, and anticipate the intended and unintended consequences of favoured policy initiatives.”

“The distinction between policy analysis and policy advocacy must be clear. People who confuse the two often believe their own propaganda.”

“In most policy areas, it is possible to set quantitative objectives and timetables for their achievement. This provides a practical way of monitoring delivery against these objectives. Policy-makers should be encouraged to do this whenever possible.”

PREFACE

DR ZOLA SKWEYIYA

Minister for the Public Service and Administration



South Africa is a country with vast untapped resources, and our people are the biggest asset of all. In a democratic South Africa, we are at last in a position to make full use of our human resources; people are no longer boxed in by repressive restrictions on physical movement and access to jobs.

The death of apartheid does not mean that all South Africans will instantly realise their creative and productive potential; there are still enormous backlogs in education and training, and vast disparities in access to the basic conditions for a healthy and secure life. But the opportunity to mobilise our underdeveloped human wealth in the service of South Africa has never been greater.

This is perhaps particularly true of government. In the past, our politicians and civil servants were drawn from a narrow and exclusive sector. Now, we are able to draw on the full spectrum of our society to find the right people to run an effective, accountable and competent public sector. We will need the best human resources available to steer us through transition, and to enable us to stand proudly among the democracies of the world.

Just having the raw human material on hand is of course not enough. People need to have the tools to do the job, and the institutions in which they operate have to provide the context for useful contributions. Building essential skills and effective institutions are two of the great challenges facing the civil service at present, together with the need to reform the service to be representative of our rainbow nation.

This booklet addresses a skill that is fundamental to effective administration and good government – the formulation and testing of public policy. Policy gives direction and enhances accountability. The ability to formulate and implement sound, durable and constructive policy is thus as essential to people at all levels of government as woodworking tools are to a carpenter.

I hope politicians and government officials alike will read this document, and keep it close at hand. In doing so, I hope they will be setting a good example for others, in business and in community-serving organisations, which also need to understand and use policy and policy analysis.

INTRODUCTORY STATEMENTS

ERIC MOLOBI

Executive director, Kagiso Trust



In the struggle for political freedom in South Africa, public policy was both an instrument of control and a focus for popular resistance. Since the installation of the Government of National Unity, the context has changed dramatically, and it is possible to think about policy that will serve all South Africans.

Democracy does not mean consensus around policy. Well-meaning democrats can – and indeed should – put forward different policy positions. Open debate around policy alternatives is an important aspect of democratisation, and implies an approach very different to the ‘behind closed doors’ policy-making of the apartheid era.

This new style requires critical and evaluative skills, which are the subject of this resource booklet. I am pleased to have worked with the Centre for Development and Enterprise and the Kennedy School on this important and practical contribution to capacity-building and democratic empowerment.

ANN BERNSTEIN

Executive director, Centre for Development and Enterprise



For many years, policy change advocates inside South Africa who were opposed to apartheid fought a hard and lonely series of battles. For obvious reasons, broad public involvement in policy formulation was anathema to the single-minded architects of apartheid.

With the onset of democracy, a new spirit of openness prevails in South Africa, and government policy proposals are now frequently presented for public scrutiny and comment. Of course, the intention does not guarantee the result. The public has to have the tools to evaluate and critique policy, and the organisational capacity to be heard by decision-makers. The policy-makers have to have the will to listen to outside views, the capacity to absorb and respond to new ideas and approaches, and the wisdom to formulate sound policy options from all the inputs.

This CDE booklet is a tool for capacity-building. The different sections in the booklet deal with some of the critical questions that will need to be asked of any policy: what does the policy want to achieve; how do we analyse a policy proposal; how do we evaluate different policy options; how do we predict policy outcomes; have we assessed the context within which the policy will be implemented, and how this could affect its success? Effective governance will require tough choices about the policies that are appropriate for South Africa. We hope this CDE publication will become an essential handbook for policy-makers and commentators, thus contributing to strengthening the quality of public debate around South Africa’s future policies. This will, in turn, lead to better policies that will improve the fortunes of all South Africans.

PROF DUTCH LEONARD

Kennedy School of Government, Harvard University

For a long time, progressive people in South Africa have had little difficulty in deciding which policies to advocate: faced with an organised and oppressive government, simply opposing most official policies was safe moral ground to occupy, and since opposition policies were unlikely to be implemented, predicting the consequences of opposition proposals was largely academic.

South African liberation organisations became skillful at moral and values advocacy – they succeeded in convincing the world and South Africa that the moral claim to self-rule was pre-eminent. Now they have had to turn from opposing government to governing. The task of rethinking public policy is an historic undertaking, complex and daunting, and laden with the hopes and aspirations of millions of people.

The South African project of the Kennedy School of Government is dedicated to helping emerging policy-makers develop the skills of governing. These go beyond moral advocacy to designing actions, predicting their consequences, and choosing among alternatives where every choice has flaws and uncertainties – and supporters and critics. Our team was therefore specially privileged to participate as facilitators and presenters at this workshop, and to assist South Africans to analyse and choose the policies that will shape their future.



THE TEAM FROM THE KENNEDY SCHOOL

Prof Dutch Leonard is Academic Dean for Curriculum and Instruction. He teaches public finance and strategic management in degree and executive programmes, and has extensive experience in government policy analysis and formulation.

Prof John Thomas is a Senior Fellow at the Harvard Institute for International Development, and a faculty member of the Kennedy School. He has substantial experience in government policy formulation, particularly in developing countries.

Prof Peter Zimmerman is Associate Dean for Teaching Programmes. He teaches strategic management in degree and executive programmes, and has wide policy formulation experience, especially with the US government.

WHAT IS POLICY?

This session was introduced by Dutch Leonard and John Thomas, who also led the subsequent discussion.



When asked what policy really is, South African policy thinkers and practitioners are likely to produce a mixed bag of answers. Most people probably associate the term with government and national issues. But policy also underpins the activities of civil society institutions, and may guide even the smallest of organisations in either the public or private domains.

A definition

Let us begin with a working definition: policy is a purposive course of action based on currently acceptable societal values, followed in dealing with a problem or matter of concern, and predicting the state of affairs which would prevail when that purpose has been achieved.

This booklet is concerned primarily with public policy, but most of the lessons can be applied in other contexts.

In general, public policy:

- Communicates what a society values. However, there is often debate over these values; and where values are agreed, over ways to implement policy expressing them (see next section).
- Provides guidelines for the many decisions and actions that organisations and institutions take daily. Without clearly articulated policy, decisions and actions can become reactive, contradictory, random and arbitrary.
- Embraces a very broad sphere of governance, from the generalised articulation of values to the formulation of rules and criteria for enforcing law.
- Confers predictability on the process of government. It provides a basis on which to foresee outcomes, and a yardstick for evaluating the performance of public institutions.



Prof Dutch Leonard





The Massachusetts seat belt law

There are large roadside signs in Massachusetts, US, which read: 'Massachusetts suggests that you wear seat belts.' Significantly, 'suggests' has visibly been pasted over the more prescriptive term 'requires'. In fact the two words have been interchanged on several occasions, reflecting a public debate that has raged on for years, as expressed in conflicting policy decisions in the state legislature.

The see-saw is due to a tension between two fundamental values. On the one hand, many people are opposed to the mandatory wearing of seat belts on the grounds that it infringes their **freedom of choice**.

On the other hand, the US federal government has threatened to withhold state funding if Massachusetts does not enforce a policy designed to **save lives**. Neither of the two values has automatic precedence over the other. Judging which one should be given preference will be a social and political choice, and will be facilitated by carefully analysing the real impact of enforcing (or repealing) the seat belt law.

Just how many lives will enforcement save? How many people don't wear seat belts, and how many of them will be persuaded to do so if a law makes this mandatory? Will rebellious drivers continue not to wear them despite the law? Also, will other measures such as safer roads and lower speed limits save more lives, and avoid restricting people's freedom of choice?

Resolving policy dilemmas such as this is difficult, even on an issue that seems straightforward. So the Massachusetts authorities continue to compromise – while the wearing of seat belts is now compulsory, the law is not strictly enforced.

In the neighbouring state of New Hampshire, the seat belt debate has been more heated. When the Federal government tried to impose a law requiring the compulsory wearing of seat belts if it were to fund state roads, New Hampshire revolted. A referendum was called on the issue, and New Hampshire residents voted decisively against a seat belt law imposed by the government. The key argument revolved around the philosophy of many residents. The New Hampshire state motto is 'Live free or die', and people felt that the government had no right whatsoever to tell residents how to behave in their own motor cars. It was said: 'If you allow government to interfere on this issue and play at the nanny state, state intervention will spread into many other areas of individuals' lives.'

As a result, there is no law in New Hampshire requiring citizens to wear seat belts.





Discussion

The nature of policy: questions and comments

In discussions around this question, delegates raised several central questions. Comments were offered by other delegates and by the Kennedy School team.

Question: South Africans' experience is that public policy is seldom uncontroversial. Is policy-making necessarily adversarial?

Comment: Some participants asserted that all policy formulation was adversarial, varying only in degree. It was argued that the quality of policy was determined by the extent to which it was discussed and debated while it was being evolved. Other participants argued that if those involved in formulating policy did not assume adversarial positions, conclusions could be reached more quickly and successfully.

In reality, all new public policy is likely to evoke some dissent. The ideal in a democratic society is to provide forums where divergent views can be heard and the skills provided to ensure that debate remains focused and grounded in reality.

Question: Does one policy take precedence over another, and in what circumstances? In South Africa, despite a moratorium on forced removals, squatters are still being evicted in some parts of the country.

Comment: Policies formulated with different objectives in mind will sometimes contradict each other in particular circumstances. Where a policy position is an expedient one, formulated hastily under pressure, the potential for conflict with other policies is high. If possible policy outcomes are carefully evaluated, this should minimise the chances of conflict.





The policy challenge in South Africa

Next, participants discussed the policy challenges facing South Africa through the transition to democracy and beyond. Cas Coovadia, Dumo Baqwa and Lorato Phalatse initiated the discussion by describing the emerging challenges in environments with which they are familiar (see next section). During the general discussion, participants raised several important considerations for South African policy actors:

- Apartheid policies were unpopular and united resistance against the outgoing government. However, a democratically elected government should not expect its policies to be accepted and to succeed purely because of the support it has won at the polls.

- Now that the battle for democracy has been won, a transformation and reconstruction agenda will become increasingly important. Differences over appropriate policy, and especially its implementation, will emerge among former allies in the liberation movement. Various organisations – for example, the civic movement – could also begin to play different roles.

- Much policy in the past was producer-driven. However, in policy debates in the current period of socio-political transition, consumer participation has been strongly emphasised. Policy-makers will have to reflect carefully on what this means in practice.

- Despite the fact that policy debates in the 1990s have been far more inclusive, many organisations have lacked the technical and human capacity to participate effectively in them. A key strategic task is to build policy capacity, both within government and beyond it.

- Ordinary people in the townships and the rural areas will want to see tangible evidence of change if the political transition is to gain credibility. Their lives will have to improve over the next few years. This will place pressure on government policy-makers to be expedient in the short term at the possible expense of carefully formulated and tested policy.



Transition and policy: three perspectives

Cas Coovadia described how roles and relationships have changed as a result of changes in priorities before and during the transition. He referred specifically to the civic movement:

Until 1990, those opposed to apartheid subsumed their differences in pursuit of democracy. Since the unbanning of opposition political movements in February 1990, tensions have appeared between political and civic organisations. Each has wanted to mobilise support for issues it considers important, and they have increasingly disagreed on priorities and strategies. Even among civics, different approaches to the new demands of reconstruction and development have brought division. This is not to imply that they do not agree at all. In the central Witwatersrand area, there is evidence that they concur on important issues.

The challenge now is to find an agreed way forward among groups with different interests and responsibilities. Policy formulation must not be held up. An important issue is clarity of roles. To an extent, civics must be willing to divorce themselves from the national political framework and forge ahead with their local agendas.



Dumo Baqwa focused on changing policy priorities as national resources are redeployed to address the needs of previously disadvantaged sections of the population. He used health policy as an example:

The present health system is modelled on those of developed countries. Hence vast amounts of money are spent on transplant technology in a country where tuberculosis is still a killer disease. A critical issue facing the medical authorities is the need to prioritise community health care, and restructure medical spending to reflect the needs of the broad community. But this will be hotly debated as battle lines are drawn between protagonists of primary and tertiary medicine. One of the arguments against redirecting resources from tertiary to primary medicine is the fear that standards will be lowered.

In the medical field, policy debate has been restricted, because those seeking change have had to lobby from the periphery. However, sooner or later serious policy choices will have to be made, which will upset some interest groups. A little-recognised priority in South African health care is the need for psychological counselling in violence-wracked black communities.



Lorato Phalatse illustrated some of the tough policy choices and trade-offs that face specialist NGOs in the field of development. She referred especially to the organisation Women's Development Banking:

The primary market of Women's Development Banking is poor and illiterate women, who are generally regarded as 'unbankable'. A value held by the bank is that access to credit is a human right. Extending credit only to women is essentially discriminatory, but a choice was made because this strategy is the one with maximum impact. Women spend some 98% of their available funds on their families, while men spend only 38%. Another difficult choice addressed by WDB was whether or not to seek donor funds. It was decided not to go for donor funding because of the capacity required to administer it, and the fear that such funds might compromise the principle of getting women to run their own affairs.

The overall policy lesson from the viewpoint of a development NGO is that its role must be defined unequivocally. Should one fail to do so, one will be swamped by the enormous needs of South Africa's poor communities.



Overview

Points to remember

- Good public policy is a foundation for good government; it communicates what society values, provides direction, and is a yardstick for accountability and evaluation.
- Well-intentioned people in government and elsewhere will disagree about policy, both at the level of values and in terms of implementation. This is healthy in a democratic society. The critical step is to see debate as an important contribution to the formulation of good policy.

Key terms used in this section

- **Policy:** A purposive course of action based on societal values, followed in dealing with a matter of concern, and predicting the outcome that would result from the achievement of the purpose.
- **Public policy:** Policy serving as the enabling and guiding framework for government in all sectors and at all levels. Not all policy is public policy. Big and small organisations outside government also work with policy.
- **Governance:** The broader process and practice of governing. Not restricted to government alone.
- **Civil society:** There are many different definitions of this term. It is used here to describe the broad network of interests, institutions and activities that are not a part of the state.

WHAT IS POLICY ANALYSIS?

This section was introduced by Dutch Leonard, who also led the subsequent discussion.



Policy analysis is not some highly specialised science practised only by academics and consultants; nor is it a miracle cure for bad policy. It is simply a structured way of thinking about choices before deciding on a particular course of action. Policy analysis helps people make the best choices in particular circumstances.

When organisations and institutions face a challenge, problem or opportunity, there are usually different ways of dealing with it. The choice between various options is rarely obvious, even though it may seem so. Decision-makers often miss the best option, or fail to predict the negative consequences of their choices. Sometimes they choose a course of action that cannot be implemented. Policy analysis is a set of tools designed to help avoid these mistakes where possible.

Some people spend a lot of time trying to define what a 'policy' is and how it differs from a 'programme', 'strategy' or 'tactic'. These distinctions are not very important for policy analysis. You can use the tools of policy analysis whenever you have to make a choice between various courses of action. This applies to broad, general decisions as well as narrow, specific ones.

Why analyse policy?

There are four main reasons for performing policy analysis:

1

Policy analysis provides people with a useful set of tools for choosing the best course of action among various alternatives.

2

Policy analysis helps policy-makers to identify clear reasons why one course of action is preferable to others. This enables them to promote and defend their policy choices.

3

Policy analysis enables people to dissect the policy proposals of others, identifying their strengths and weaknesses. Ultimately, it enables them to decide whether to support these proposals or not.

4

Policy analysis helps to ensure that the various decisions required to address a problem at different levels are consistent with each other.

Case study



Policy choices in South Africa: the case of education

As South Africans think about the future under a new democratic government, there are many policy choices to be made. Most people in this country agree that the apartheid-based education system must be fundamentally reformed. But there are many ways to approach this. The country cannot afford to gamble with vast amounts of public money; destroy what works in pursuit of the ideal; or waste time in pursuing policies that turn out to be blind alleys.

Hence it is critical that all options are carefully and systematically examined. For example, before extensive research and analysis was done, it was generally thought that the solution to the country's education crisis was to massively expand the system and pour more funds into it. By looking more carefully at the problem it is now becoming clear that spending alone does not guarantee reform; South Africa's per capita spending on education already far exceeds that of most developing countries, and even that of some developed countries.

This points to a different set of policy priorities: how to make the system more efficient and effective while using available resources, but probably allocated differently.



Discussion



The nature of policy analysis: questions and comments

Delegates and the Kennedy School team discussed the nature and use of policy analysis. Some of the key themes were the following:

Question: Does policy analysis not place another obstacle between people and their ability to control their own destinies? Is this not yet another technical skill aimed at disempowering people?

Comment: No. It is common-sense wisdom about how to think through an action and its possible consequences. Broad access to some of the skills and techniques of policy analysis will empower people, and make policy processes far more democratic and participative. The real danger is that of a barrier between policy-makers and people who have to live with the results of policy.

Question: Ideology and policy are often linked. What is the role of policy analysis in this respect?

Comment: Decision-makers who are strong proponents of a particular ideology often make choices and take decisions in terms of specific principles. There is nothing wrong with policy based on values that have ideological roots. In fact, little public policy is ideology-free. However, it is important to ask the policy formulators whether they have undertaken a reliable analysis of how their decisions will work out in the real world. The mere fact that you would prefer the world to work in a particular way does not mean that it will.

Question: I tend to think of policy decisions as experiments. One tries a policy direction, and sees whether it works. If not, you change direction. One should always be prepared to change one's mind if things work out differently than expected. How does policy analysis help?

Comment: The process of policy analysis helps you to explore alternatives without having to try them all in real life. It is far less risky to conduct policy experiments on a computer or in one's head than to implement policy and then see how it works. Many new policies are designed to overcome the unforeseen shortcomings of previous policies. Policy analysis should limit this practice. No policy is cast in stone, but policy analysis helps one to set out in the right direction. Modifications may be necessary, but these are preferable to being forced to change course entirely.

Question: What is the difference between policy analysis and policy advocacy?

Comment: Policy analysis is a set of tools which helps decision-makers to decide among alternative courses of action. Policy advocacy is used after a particular policy option is chosen, to convince others that this is the best course of action.

Question: Is it essential to perform a policy analysis every time a policy decision is to be made?

Comment: No. If the course of action is clear, and its consequences are well-understood, don't do an analysis. Policy analysis is necessary if you are not sure what to do, or if there are competing opinions about what to do. However, there is always a risk that you think you know, without having adequately considered the alternatives or possible outcomes. Policy analysis helps you to avoid this pitfall.



The six steps of policy analysis

The six main steps of policy analysis are the following:

Identify the underlying values and aspirations



In policy analysis, it is important for decision-makers to identify the values and aspirations that drive them.

- A value is a belief that something is good and desirable, eg the freedom to choose.

- An aspiration expresses a desire to achieve something that is presently out of reach, eg fewer deaths on the road.

Values and aspirations should not be taken for granted. They should be articulated because:

- Policy decisions may demand a choice between conflicting values and aspirations. In such situations, it is important to determine which ones should take precedence. This decision is sometimes difficult (remember the Massachusetts seat-belt example).

- Values and aspirations enable decision-makers to decide which of the predicted consequences of their actions are the most significant. This is important in making the trade-offs that are inevitable in policy analysis.

- A clear understanding of underlying values and aspirations helps policy-makers take decisions that move in the direction of achieving their long-term goals.

The articulation of values and aspirations should not be confused with policy analysis. It is only a starting point. If the subsequent policy analysis shows that the aspirations are not achievable, then we must be prepared to adapt dreams to reality. Policy analysis seeks to ensure that policy decisions are both consistent with important values, and grounded in reality.

This may mean modifying aspirations, or moving towards them step by step, over time. Policy analysis helps decision-makers to understand and explain why they cannot achieve everything immediately.

In the past, opponents of apartheid have been particularly good at articulating alternative values and aspirations, but less skilled at formulating the policies necessary to achieve them.

That is why the five remaining steps in policy analysis require particular attention. These steps usually require tough choices. When faced with difficult trade-offs it is often tempting to move backwards and resume the abstract discussion about values and aspirations. It is important to resist this temptation. Hard choices cannot be avoided in policy analysis. At the end of the process, the proposed course of action can once again be measured against the important values and aspirations articulated at the outset.

Understand the problem in its context

2

Start by formulating the 'problem' simply and clearly. What issues are you trying to address? What is the main question you are trying to answer? In what context are you working?

Identify the alternative courses of action open to you

3

What different courses of action could you follow? Try to think of all the possible alternatives that have a realistic chance of being implemented. Remember that one possible course of action is to do nothing – intervention is sometimes a very bad course of action.

Decide which dimensions of the problem are most important

4

The problems addressed by public policy are often complex. Thus any given problem might have many angles or dimensions. Deciding which dimension is the most relevant or most important will help you to choose the best course of action. For example, a policy on speed limits might have a public safety dimension and an economic efficiency dimension. If the policy is likely to have some desirable and some less desirable outcomes, it is important to know which dimension takes precedence. This will help you to decide which course of action you should pursue.

Predict the likely outcomes of different courses of action

5

Good prediction lies at the heart of policy analysis. Different policies unfold in different ways. Good prediction enables decision-makers to choose the most appropriate course of action in the circumstances. There are several techniques that are helpful in making predictions; some of these are discussed in the following sections of this publication.

Measure the chosen course of action against important values and aspirations

6

The step-by-step example given below is intended to provide a practical illustration of the process of policy analysis. In it, we compare two different policy proposals that have been developed to deal with the same problem. It shows how policy analysis can help one to find a way through difficult policy choices.

Controlling the spread of HIV

Human immunodeficiency virus (HIV) is the virus that causes auto-immune deficiency syndrome (AIDS). Scientists have concluded that the Aids virus is spread through intimate contact: the sharing of blood or blood products; the common use of needles contaminated with blood; the exchange of body fluids (especially through sexual contact); and in rare instances, through contacts such as sharing a shaving razor, bites by an infected person and so on. HIV transmission through sexual contact can be greatly reduced (if not entirely eliminated) if condoms are consistently and correctly used during all sexual activity. More than 30 million people worldwide are thought to be infected with the Aids virus; about 500 000 to one million of them live in the US.

In this case study, two policy responses aimed particularly at young people are examined. The policies are quite different, and neither is automatically right. However, policy analysis allows us to take them apart, to understand what the orientations of their proponents are, and to look critically at the predictions on which the two positions are based.

Aids is such a complex problem.

How do we start? There are so many interests and points of view.

But it's critical that we do something.

It's one thing to talk about Aids policies, but how does one choose the best policy?

Policy proposal A: a programme to teach schoolgoing children about contraception, and distribute condoms in schools

Faced with a rising incidence of HIV infection among children of schoolgoing age, the Northumberland District School Board meets to consider what it should do to prevent the disease from spreading among schoolchildren in the district. Noting that the sexual activity of 15- to 18-year-olds has increased substantially between 1960 and 1990, with about half of 18-year-olds now saying that they have engaged in some sexual activity, and that the HIV infection rate has increased (about one out of 500 high school seniors is now infected with the virus), the school board decides to expand its programme of education about contraception and Aids for students aged nine to 18. It also decides to provide condoms free of charge to students who ask for them, through the school nurse at each high school.

What does policy analysis tell us about this policy option?

Step 1: What underlying values and aspirations are involved?

- Preserving health/life
- Individual responsibility/freedom.
- Eliminating Aids in high schools.

Step 2: What is the problem/opportunity?

How can we reduce the spread of Aids among high school students?

Step 3: What are the alternative courses of action?

- Introduce an intensive Aids education programme in high schools.
- Focus specifically on education relating to sexual transmission of the disease.
- Make condoms more freely available.
- Promote abstinence.
- To focus on how Aids is spread by other means (such a shared needles or razors).
- A combination of several of these.

Step 4: What are the most important considerations (or dimensions) to be taken into account?

Identifying the key considerations helps us to weigh up possible courses of action. If these are not compatible with the key considerations, they can be eliminated. In this example, the following might be a key consideration:

- Lowering the risk of Aids in ways that are compatible with individual freedom and responsibility.

Step 5: Predict how people are likely to behave if the different policy alternatives are implemented.

This policy proposal is underpinned by several predictions or assumptions about the behaviour of high school students. Among them are:

- Students will continue to experiment sexually, despite the risk of contracting Aids.
- Moral injunctions and authoritarian control will not work.
- If students know that unprotected sex is dangerous, and also know how to protect themselves against Aids during sexual contact, they are more likely to take the necessary precautions.
- If condoms are easily available, students are more likely to use them.

As policy analysts, we might question some of these predictions. For example, it fails to predict that few high schools students are likely to ask the school nurse for condoms. This may lead to unintended consequences!

Step 6: Measure the policy proposal against the most important values.

Is this policy proposal compatible with the values of preserving life and promoting individual responsibility? Yes.

Does the policy analysis reveal any gaps? Yes, it does. This policy option fails to address other high-risk practices that result in the spread of Aids, such as the sharing of needles during drug use.

Policy proposal B: a programme to promote sexual abstinence among schoolchildren

The Council of Religious Fundamentalists has determined that programmes for teaching children about contraception and the use of condoms promote sexual promiscuity, and undermine the moral values of young people. As a result, the council believes the appropriate response to the Aids crisis is to teach young people that it is morally wrong to engage in sexual activity outside marriage, and that sexual abstinence is the only morally acceptable way to address the danger of Aids. It opposes any teaching about contraception and the distribution of condoms in schools, on the basis that these will imply that engaging in sexual activity is acceptable. It holds that this will increase the amount of sexual activity that young people engage in, and will consequently increase the spread of Aids.

Step 1: What are the values and aspirations underlying this policy option?

- Preserving life/health.
- Eliminating Aids.
- Promoting abstinence and chastity among youths.

Step 2: What is the problem/opportunity?

How can the incidence of Aids among young people be lowered?

Step 3: What are the alternative courses of action?

- Introduce an intensive education programme on how Aids is spread.
- Hand out condoms to schoolchildren.
- Promote abstinence.
- Strictly supervise students when they are with members of the opposite sex, such as sending chaperones on dates, imposing curfews, and so on.
- Make children aware of how Aids is spread by other means (for instance, shared needles or razors).
- A combination of some of the above.

Step 4: What are the key considerations to be taken into account?

Identifying key considerations helps us to weigh up and eliminate incompatible courses of action. Here, the most important is:

- To reduce the incidence of Aids in ways that are consistent with promoting abstinence and preventing promiscuity.

Step 5: Predict how people are likely to behave if the different policy alternatives are implemented.

The predictions about the behaviour of high school students that underlie this policy choice are:

- Sex education leads young people to think that sexual activity outside marriage is acceptable. This will increase the rate of premarital sex.
- The distribution of condoms encourages sexual activity.
- The drive to experiment sexually will be stronger than the incentive to take precautions.
- This will lead to the unintended consequence of increasing the risk of Aids.
- If there is sufficient moral sanction against and stigmatisation of sex outside marriage, young people will be prepared to practice abstinence.

As with Proposal A, policy analysis allows us to ask critical questions about these predictions. For example, they do not take into account the possible effect of censoring sex education at school while young people are exposed to explicit portrayals of sex on television and in the movies.

What gaps are revealed by this analysis? Critically, it fails to take cognisance of prevailing norms, values and influences among many young people.

Lessons from the HIV case study

This study shows how complex and multilayered policy proposals can be. In this context, policy analysis itself cannot point to a choice between options A or B. However, it helps to clarify values and predictive assumptions, and facilitates decisions. For example:

- At the level of values, it might become clear that the HIV issue is simply a vehicle for other agendas – to boost the condom industry in alternative A, or promote abstinence through fear in alternative B. In this instance, there is little likelihood of constructive engagement between the advocates of the two policy positions.
- However, it may be found that saving lives is indeed the central value in both cases. Here, there may be room for engagement and compromise. For example, the abstinence lobby may agree that children should be exposed to information about sex, with the proviso that abstinence is promoted as a lifestyle option.



Overview

Points to remember

- Public policy often addresses complex issues, and there is seldom a single solution. Good policy is built on the recognition and careful evaluation of options.
- Policy analysis is the term used to describe a step-wise way of looking at options before deciding on a course of action.
- Policy analysis is not a luxury. It is a part of responsible policy-making, especially when the way ahead is not clear, or if there are competing possibilities.
- The techniques of policy analysis can take debate beyond arguments about values. Policy seeks particular outcomes, and policy analysis makes it possible to predict the likely outcomes of various policy options.
- The skills of policy analysis are mostly common sense. Spreading these skills is an important task in a democratising society.

Key terms used in this section

- Policy analysis:** A step-by-step way of unpacking and understanding policy choices, and comparing possible outcomes.
- Policy advocacy:** The process of promoting a particular policy viewpoint.

PREDICTING POLICY OUTCOMES

This session was introduced by Dutch Leonard and John Thomas, who also introduced the case studies and led the discussions.



An important part of policy analysis is predicting the possible outcomes of policy choices. Indeed, a desired outcome is the reason why policy is formulated and implemented. Before making policy choices, it is very important to determine what the outcomes of various options are likely to be. Incorrect predictions lead to poor policy choices, leading to policy failure in turn. The 'big housing sale' of 1993 is a good example of how bad prediction can result in policy failure.



Prof John Thomas



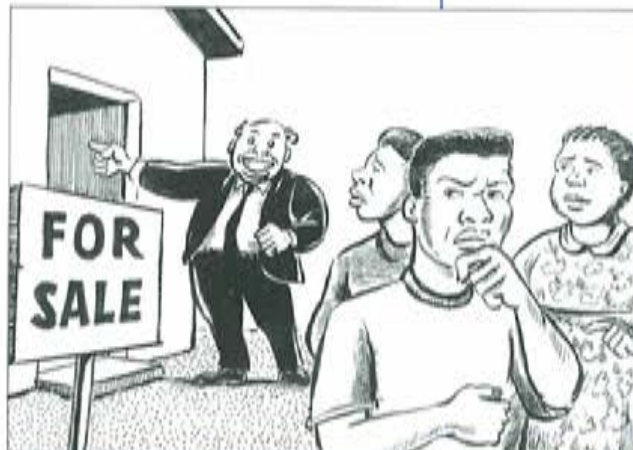
Case study

Getting it wrong: the 'big housing sale' of 1993

In March 1993 the South African government announced its intention to sell some 500 000 state-owned township houses to the tenants occupying them. Selling prices were way below replacement costs, and major discounts provided an added incentive. Against this background state planners confidently predicted a flood of demand. This did not materialise. Why?

Detailed analysis showed that the planners had based their predictions on the assumption that tenants would want to own their own homes, especially if they could buy them at what seemed to be bargain prices. Indeed, had a similar initiative been introduced among poor tenants in many other parts of the world, this assumption might have been correct.

However, the designers of the 'big sale' failed to take account of the realities of township life. This included resistance from anti-apartheid groups to the sale, cynicism and suspicion about the government's motives, evidence of official corruption and mismanagement, greater poverty than the planners realised, and a preference among some to rent at subsidised rates rather than to buy.





Four predictive models

The housing sale example shows how difficult prediction is, especially when it involves human behaviour. However, there are several systematic and practical ways of predicting policy outcomes. Here are four predictive models that are often used in policy analysis. These are not the only models, but they are the ones most commonly used. They are:

- the institutional analysis model
- the historical scenario model
- the rational action model
- the bargaining model

The institutional analysis model

Most policies have to be implemented by institutions and organisations. These agencies have the capacity to take action – but they also limit the range of possible outcomes. One way of predicting the likely outcome of a proposed policy is to ask the following questions:

- What organisations/institutions are available to carry out this policy?
- How many organisations/institutions are likely to be involved in implementing it?
- Do these organisations/institutions have the capacity and political will to do so?

In order to answer these questions, it is useful to understand some of the key characteristics of organisations. This is helpful in predicting how organisations are likely to respond in particular circumstances. According to institutional analysis, organisations have the following characteristics:

- Organisations are not monolithic; power is divided between and within them. Policy-makers who want to predict whether and how a policy will be implemented should understand which organisations will be involved in implementing them, and identify allies and opponents within those organisations. What is the balance of forces likely to be between allies and opponents? Where will decisions be taken?
- Organisations often have conservative priorities and perceptions; they are unlikely to implement policies that threaten their survival. Most organisations develop a specific culture and framework of values. Those people who fit into this culture do well within the organisation. They develop a shared mission and gather the information that supports them, defending their common frame of reference.
- Organisations have Standard Operating Procedures (SOPs). SOPs help organisations to perform efficiently and predictably. However, SOPs become aggregated into programmes that are resistant to change. Sudden and dramatic change may disrupt procedures and programmes, and hamper the organisation's capacity to do its job. New capacity is often necessary to bring about change.
- Organisations avoid risks; they do not want to put themselves out of business. They will tend to adopt courses of action that are least threatening to their survival.
- Organisations are reluctant to tackle things that are new. They often become involved in new activities/problems only when these come to them. The change process is frequently driven by external threat.

When policy-makers formulate policy proposals, they must think about the institutions and organisations that will be required to carry out these policies. Will it be possible to co-ordinate the roles and actions of the different organisations and institutions to ensure that the policy concerned is successfully implemented? Institutional analysis helps policy-makers to work out what the prospects for their policy proposals are.

Example

Organisational behaviour in South Africa's transition

South Africa's recent history offers good examples of how groups of organisations have sought to influence policy outcomes:

- In the lead-up to the historic general election of April 1994, the Freedom Alliance sought to divert or slow down the transition process. A resistance to change bound very different organisations together for a while, but some eventually saw their interests differently from those of the alliance and broke ranks to participate in the election.

- In 1991 the South African government introduced a controversial package of land reform bills. A number of political and development organisations strongly opposed the bills, and won some significant concessions. The organisations that were united on this issue were not necessarily allies in other areas of policy.

Whether policies are successfully implemented or not depends in part on the balance of forces between those who support the changes, and those who oppose them. Organisations play an important role in this balance, so their positions and the ways they are likely to behave are important to policy-makers.

The new South African government depends on the institutions of the state and civil society to implement its policies. In many ways, the country is fortunate to have this capacity, but the reality is that old values, priorities and methods are still entrenched in parts of the civil service and in organisations outside government.

This may change, but in the short term the challenge will be to formulate policy that taps capacity and delivers, without inviting levels of resistance that might cause it to fail.

The rational action model

This model focuses on the behaviour of individuals rather than that of institutions and organisations. It is built on a basic assumption about the motivation of individual decision-makers, namely that people act rationally in ways they believe will maximise their self-interest. Proponents of this predictive model argue that understanding individual motivation enables policy-makers to predict the choices individuals and small groups of individuals will make.

The rational action model forms the basis of micro-economics. It predicts the outcome of a policy option by projecting how people will respond to it if they are rationally maximising their perceived self-interest. One of the problems of this model is that it makes numerous assumptions about what rational behaviour is, and has difficulty in accommodating responses based on different cultural experiences. Responses that appear rational are easier to predict than those

that appear irrational because there are so many ways of doing things seemingly irrationally.

Supporters of this predictive model usually hold the free market view that individuals should be allowed to maximise their self-interest. Social values, in this view, are the sum of individual self-interests. Voluntary interactions between individuals who are free to maximise self-interest constitute the market mechanism that maximises social outcomes. So-called 'market failures' occur when social outcomes are not maximised. Proponents of 'rational self-interest-maximising behaviour' (RSIMB) are particularly interested in market failures, because they undermine the predictive power of the model.

They believe market failures occur under specific circumstances, including:

- insufficient competition to offer individuals a meaningful choice; and
- externalities that 'get in the way' of rational individual choices.

Analysts who use this model believe it is important to offer incentives rather than controls to encourage RSIMB. They reject government intervention aimed at influencing people's behaviour.

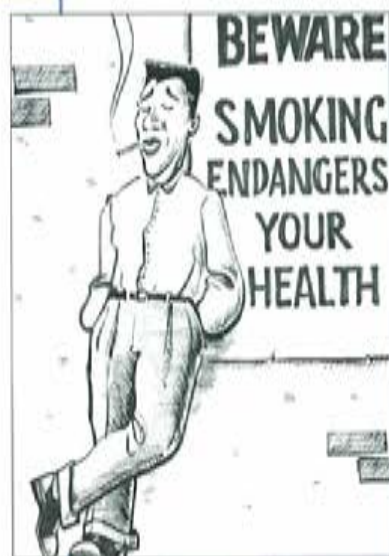
For example, if policies were required to stop a factory polluting a river, proponents of RSIMB might argue against introducing prohibitions and controls. Instead, they might prefer to charge the factory management the full cost of the damage caused, including the cost of cleaning the river. This, they argue, would provide the necessary incentive to stop the company from polluting. The basic rule is that behavioural intervention in terms of policy occurs in terms of prices rather than rules.

Sometimes RSIMB does not work. The model can fail as a predictive tool when individual interests and externalities are not adequately understood, as in the case of the 'big sale'. More fundamentally, the model fails when people's actions are not rationally motivated nor in their best interests. Addictions provide a good example (see below).

Example The smoking debate

Children under 18 are prevented from smoking in the US, and smoking is increasingly being banned in public places. Proponents of the RSIMB model would oppose the ban because they would prefer to tax tobacco, raising the cost of smoking but still allowing the individual to choose whether or not to smoke. They would argue that the social cost of smoking (lost productivity, cost of health care, etc) should be factored into the price of cigarettes without preventing the individual from deciding whether or not to smoke.

Proponents of the opposing argument would argue against this as a framework for successful policy. They would point out that nicotine is a highly addictive substance, and that addicts do not usually act in ways that rationally maximise their self-interest. There is little evidence that higher prices will curb smoking among teenagers.



The historical scenario model

This model makes predictions on the basis of what individuals and organisations have done in comparable situations in the past. The model proceeds from the question: who else has done this, and what can we learn from their experience? It has been widely used in planning South Africa's process of transition. Businessmen and government officials have spent a lot of time visiting other countries to learn from their successes and failures. A limitation of the historical scenario model is that no two situations are identical.

An example of the historical scenario model is to use Zimbabwe's political transition as a base to predict events in post-election South Africa. The question is whether the parallel is close enough to be a base for looking ahead. A good way to test the applicability of the model is to compare similarities and differences, and to assess whether these stand in the way of predicting policy outcomes. Delegates discussed the relevance of Zimbabwe as a scenario model.

Example Zimbabwe and South Africa – similarities and differences

SIMILARITIES

1. Former white minority government
2. Need to deal with income redistribution
3. Multi-ethnic context
4. History of racial domination
5. Change negotiated
6. Land inequity

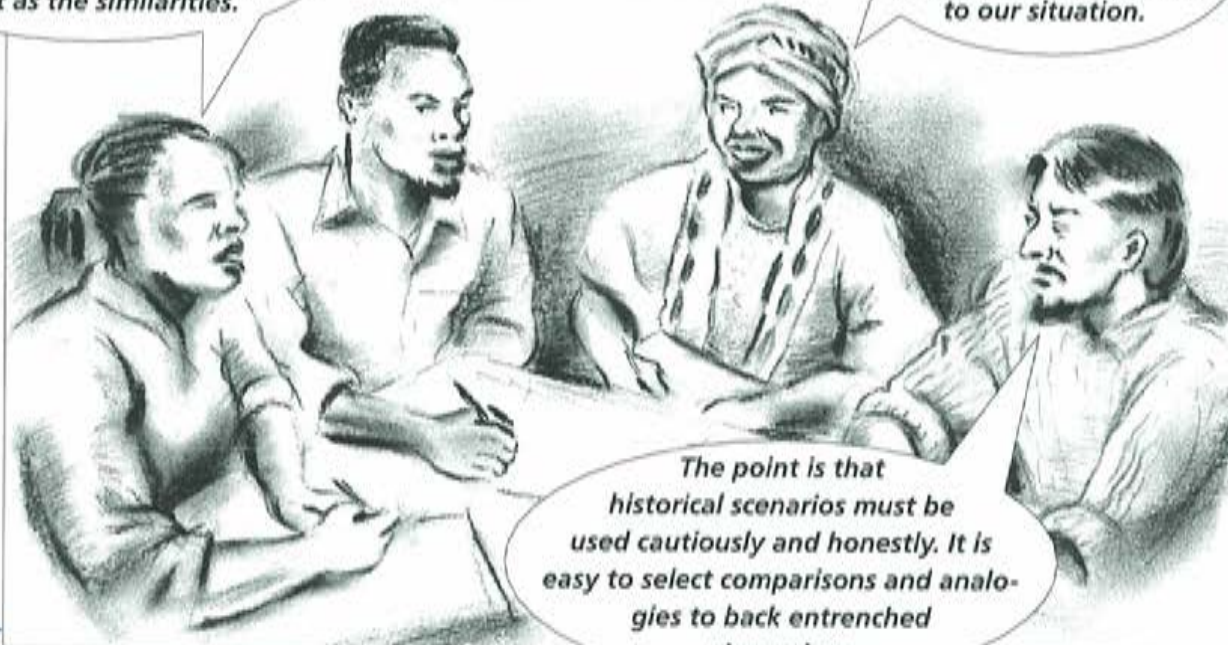
DIFFERENCES

1. SA transition post-Cold War
2. Nature of opposition
3. SA more complex
4. SA more developed
5. More intensive military campaign in Zimbabwe
6. Rate of urbanisation
7. Multi-ethnic parties in SA, not in Zimbabwe
8. External pressure for change different

I think the differences between the two situations are just as important as the similarities.

Sure, but there are also lessons that are relevant to our situation.

The point is that historical scenarios must be used cautiously and honestly. It is easy to select comparisons and analogies to back entrenched viewpoints.



This is by no means an exhaustive list of similarities and differences. But it helps us to deal with the question: Is a comparison with Zimbabwe at all useful in predicting the likely outcome of certain policy options during South Africa's transition? Comments by delegates included the following:

- Despite the fact that one should always be cautious about drawing historical parallels, people instinctively look for historical precedents to their situation.
- While there are often valuable lessons to be learnt, people may be seeking analogies to justify predetermined predictions.
- In this context, South Africans of diverse political persuasions have used historical parallels drawn from post-colonial Africa, Yugoslavia and East Asia to support their own policy prescriptions for this country.

The bargaining model

This model works by predicting how other people will act in an interactive or bargaining situation. It is best analysed by understanding the three elements of a bargaining situation, namely:

- demand
- offer
- threat

In a bargaining situation, one person tries to make the other perceive the offer as a better option than the threat. The bargaining model emphasises the value of reaching an understanding of how others view the bargaining situation from their perspective. To do so, a useful technique is to work out an opponent's Best Alternative to a Negotiated Outcome, or Bano. This, in turn, helps one to understand the kinds of threats and offers necessary to achieve a negotiated outcome.

This model is often used to analyse coercive bargaining, as in the following crude example:

Demand: Give me your wallet.

Offer: If you do, you will walk away unharmed.

Threat: If you don't I will hurt you.

It is also well illustrated by a classic example known as the Prisoner's Dilemma.

Example The prisoner's dilemma

An alleged thief and his accomplice are held in different jail cells. Each is interrogated separately about the crime, and must decide whether or not to confess to it. This decision is strongly influenced by:

- the prisoner's perception of how his accomplice will react to the interrogation; and
- an understanding of how his accomplice's situation will affect himself.

If there is **no direct evidence of the theft**, and the case hinges solely on an act of confession, the prisoner's dilemma can be represented by the following matrix:

		ACCOMPLICE	
		Confess	Don't confess
PRISONER	Confess	10 Years	3 Years
	Don't confess	25 Years	Go free

This matrix reflects the situation from the perspective of the prisoner, not the accomplice.

The rational behaviour of each alleged thief depends on how he or she believes the other will respond to interrogation. The likely outcome (presuming that both prisoners know there is no direct evidence of the theft) is that neither would confess, and both would go free. However, if for any reason the prisoner suspects that the accomplice will confess, he or she will want to do so too.

The situation changes if both know there is **some evidence of the theft**. In this case, the matrix would look different, because a jail term would be inevitable.

		ACCOMPLICE	
		Confess	Don't confess
PRISONER	Confess	10 Years	6 Months
	Don't confess	25 Years	3 Years

This matrix reflects the situation from the perspective of the prisoner, not the accomplice.

Here, the interests of the prisoner and the accomplice do not converge as they do in the first example. For either to get the minimum sentence, he or she must confess and bank on the other not confessing. Each of the two makes the same calculation from his own perspective. Although the best combined option is for neither to confess (resulting in a three-year sentence each), neither can be sure that the other will take this option. The worst option is to be the one who refuses to confess in the face of a confession by the accomplice. Hence a likely result is that both will confess (and get 10 years each).

This example shows how much harder it is to predict what others will do in complex bargaining situations.

Understanding the diagrams

In the first matrix:

- If only one of the thieves turns state witness, the confessor gets a short sentence (as a reward), and the non-confessor a long sentence.
- If both confess, neither will be needed to testify against the other. Both get medium sentences.
- If neither confess, the state cannot convict.

In the second matrix:

- If both refuse to confess, the weak evidence is enough to secure conviction on a reduced charge.
- If both confess (thus showing contrition), they get medium sentences.
- To get one thief to testify against the other, the police may offer a reduced sentence of six months. If the other thief does not confess, the case against him will be strong and he will get a long sentence.

There are many examples where convincing policy perspectives have been formulated using one of the predictive models. It is unwise not to test such policies from other perspectives, as the following case study shows.

Case study

The Tragedy of the Commons

In the 1960s, Garret Hardin wrote a famous article entitled 'The Tragedy of the Commons', in which he offered an explanation of the overuse of resources where these are owned by groups of people. Hardin's own point of departure was that of individuals maximising their own self-interest, so he applied a **rational action model** to his analysis. The article influenced many policy advisers, so it is worth looking at Hardin's rationale:

If an individual owns a resource (for example, a place where cattle can graze), he or she will have an incentive not to graze too many cattle on it – for if it is overused, the grass will be destroyed and all the cattle will die. If, however, a group of cattle owners own the resource in common, then each will have an incentive to graze too many cattle on it, because the benefits of an extra cow flow to the individual, but the costs of the extra cow (in the form of using more grass) are spread over all the owners of the common grazing area. Thus each grazer expands his or her herd of cows beyond the point where there is enough grass, each noting that if he or she does not expand his or her herd, then some other grazer probably will, so nothing will be gained by an individual who restrains him or herself. In this way, all the herds will be expanded, and the commons will be overgrazed, and perhaps destroyed.

The proposed policy solution that flows from Hardin's argument follows the same logic. From Hardin's perspective, the problem of the commons is that the benefits are private (that is, the owner of the cows gets the benefit of the common through his or her cows) while the costs are public (the costs of my cows eating are shared among all the other owners of the common). The suggested solution is to make both benefits and costs private, by dividing the land in the common among the grazers (that is, turning the public land into privately held individual plots). Then the owners of each plot will have an incentive to pick the right size of herd for their plot, so the right number of cows will be grazed, and the land will be protected and safeguarded by its owners.



Delegates comment

Delegates expressed various views on the predictive model used so persuasively by Garret Hardin:

■ Some agreed with the rational action analysis, applied by Hardin but suggested that the policy outcome could be different if individual action was steered by market mechanisms. In particular, it was argued that individuals exceeding the carrying capacity of the land might be taxed, or that there might be other ways to share both costs and benefits.

■ Other delegates expressed concern that Hardin's rational action predictive model is insensitive to value systems that are not based in western individualist culture. He assumes that there is only one framework for rational behaviour, and imposes this universally. The fear was expressed that tinkering with entrenched communal systems might have unforeseen consequences.

The overall point is that the various predictive models have strengths and weaknesses, and must be applied in the appropriate circumstances. These different models can sometimes be combined in order to predict what support a particular policy could have.



Overview

Points to remember

- It is risky and irresponsible to implement public policy when the possible outcomes have not been considered, or if the predicted outcome has not been fully thought through and tested where possible.
- Predicting likely policy outcomes is possible by using the right tools. The examples discussed in this section apply to particular situations: institutional analysis to look at the policy behaviour of organisations; the rational action model to look at the behaviour of individuals in some circumstances; historical scenario analysis to predict on the basis of past experience; and the bargaining model to understand how individuals or groups will act in an interactive situation. It is important to understand what these tools can and cannot do before using them.

Key terms used in this section

Organisations/institutions: Often used to refer to the same thing. Organisations are collective bodies held together by common purpose and a set of conventions or rules. Institutions are commonly formal structures with a prominent social role (such as the church, schools and so on).

Standard operating procedures: The rules and entrenched practices that hold organisations together.

Rational action: A term used by economists who assume that individuals will act predictably and in their own self-interest.

Market failure: In the context of this discussion, market failure occurs when the free and rational interaction of individuals does not produce the best social outcome.

Scenario: A speculative picture of future events.

EXAMINING POLICY OPTIONS

This section was introduced by Dutch Leonard. The civil service case study was presented by Pete Zimmerman and Job Mokgoro.



Policy-makers often have to make choices. In the realm of public policy, these choices are frequently multifaceted and difficult. Policy analysis arms the user with the tools to dissect policy arguments, to understand the nature of options, and to test the consequences of selecting a particular policy.

In this section:

- Two case studies are used to show how complex policy choices can be unpacked, and the various options and trade-offs revealed.
- Ways of looking at a range of options and trade-offs are discussed.
- A case study of the South African civil service is used to demonstrate the use of a computer model to predict the outcome of different policy choices.



Prof Pete Zimmerman

Tough choices: the case of health care

In the health care arena, policy choices are often highly charged because human lives are involved. Difficult questions arise, such as:

- Which lives are more valuable?
- Is saving many lives more important than saving the lives of relatively few people with serious diseases?

The following account of a health care debate in the US illustrates the tough choices policy-makers have to consider, and the stakes attached to them.

Case study



Life or death: the case of Diana Brown

US television recently publicised the plight of Diana Brown, 41, a Spanish American from Oregon, who needed a liver transplant to save her life. Her medical aid scheme – which serves mainly poor minorities – refused to pay for the operation, because the Oregon legislature had passed a law to protect medical aids from having to pay for transplants.

The legislators said they had done this because transplants could cost as much as \$600,000 – enough to provide 350 children with free medical care for a year.

When the legislators passed the law, they knew some people would die. Did they have to choose this route, and did they choose correctly?



■ The Republican state senator Bill English admitted that the new policy embodied a difficult trade-off. He said legislators did not have to face the transplant patients, and acknowledged that this had made the policy choice easier. However, he defended the policy, saying that the public was not willing to pay more taxes, and that the legislature was bound to honour this.

■ Brown's doctor warned that people would die because of the new policy. He argued that legislators might later decide to stop funding the treatment of heart disease, and asked where the line would be drawn.

Health care policy in South Africa will have to deal with similar tough choices.

Yes, but in our case the needs are acute and the resources stretched very thinly.



The options seem stark. We must be certain before we go for one or the other.

Delegates comment

Delegates evaluated the policy choice in different ways from different perspectives. Placing the Diana Brown story in a South African context, they expressed the following views:

■ Similar choices are likely to face South African policy-makers concerned with health care. First, before choosing such an option, one must be certain that this is the only one possible. For example, one might:

- require hospitals and clinics to rationalise their activities, to allow both transplants and primary health care;
- support public appeals for funds for deserving transplant patients;
- argue the case for more health care funding. It was suggested that the Diana Brown incident may have been a strategy to soften taxpayers up for a tax increase; and
- build community service into broader medical practice, requesting (or requiring) doctors and hospitals to subsidise transplants and hi-tech procedures in certain cases.

■ If the tough choice has to be made, it should closely reflect values considered important by the broad South African public. These values would have to be established and debated, but some of the issues that might arise are:

- the Diana Brown story has race and class overtones. South Africa's new government would be reluctant to refuse poor black people treatment available to wealthy whites, but at the same time will have to deal with popular pressure to prioritise primary health care;
- different interests might lobby their views very compellingly in this context. For example, proponents of tertiary health care might argue that poor people should not be denied access to complex surgery simply because they are poor. Primary care advocates could use an argument (similar to the one used in the US) that transplants divert funds away from hundreds of poor people, especially children.

■ Dealing with such a choice might have positive spin-offs. For example, it could be used to focus the national health care debate in South Africa, or to concentrate attention on the health budget and its most effective use.

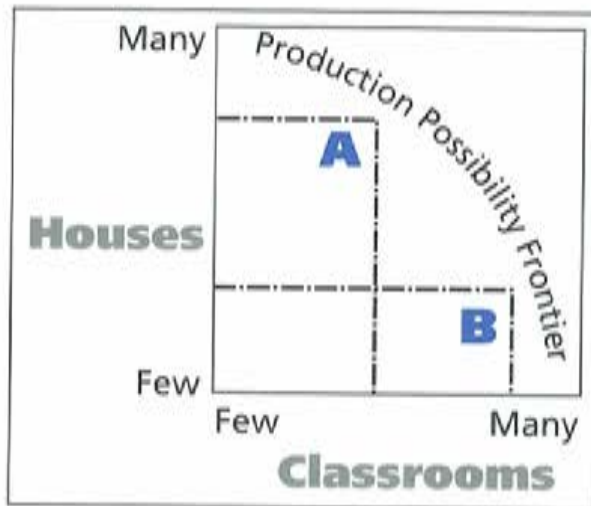


Kennedy School input

Options and trade-offs

Policy-makers are often faced with the problem of having to make difficult trade-offs. In such instances, they have to be sure that they have clearly understood the trade-off, and that they have considered the full range of alternatives.

One way to demonstrate that the obvious trade-off is not necessarily the only one is to look at the so-called Production Possibility Frontier (PPF). If it is assumed that we have a limited amount of money to spend and must choose between, say, housing and classrooms, we could graph the trade-off as follows:



A: Many houses, few classrooms

B: Few houses, many classrooms

Government budgets usually reflect trade-offs. For example, with limited resources, the government of national unity has had to make difficult choices regarding how much to allocate to critical areas such as housing and education.

The PPF shows how much housing would have to be sacrificed for more classrooms, and vice versa.

But this is a very simple view of the trade-off. Innovative policy-makers would explore ways to change the assumptions of the trade-off before committing to less houses or fewer classrooms. There are at least two other possibilities:

- Find ways of shifting the frontier outwards to get more resources. For example, it might be that the real trade-off is not between housing and classrooms, but between guns and foreign embassies on the one hand and housing and classrooms on the other. By reducing spending on guns and foreign embassies, it might not be necessary to trade off elsewhere.
- Do more within the frontier by improving efficiency in the education and housing sectors.

Policy formulators must always remain aware of the limits and possibilities of resource allocation. Introducing a new policy may require a trade-off somewhere else, and all these possible effects must be understood in advance.

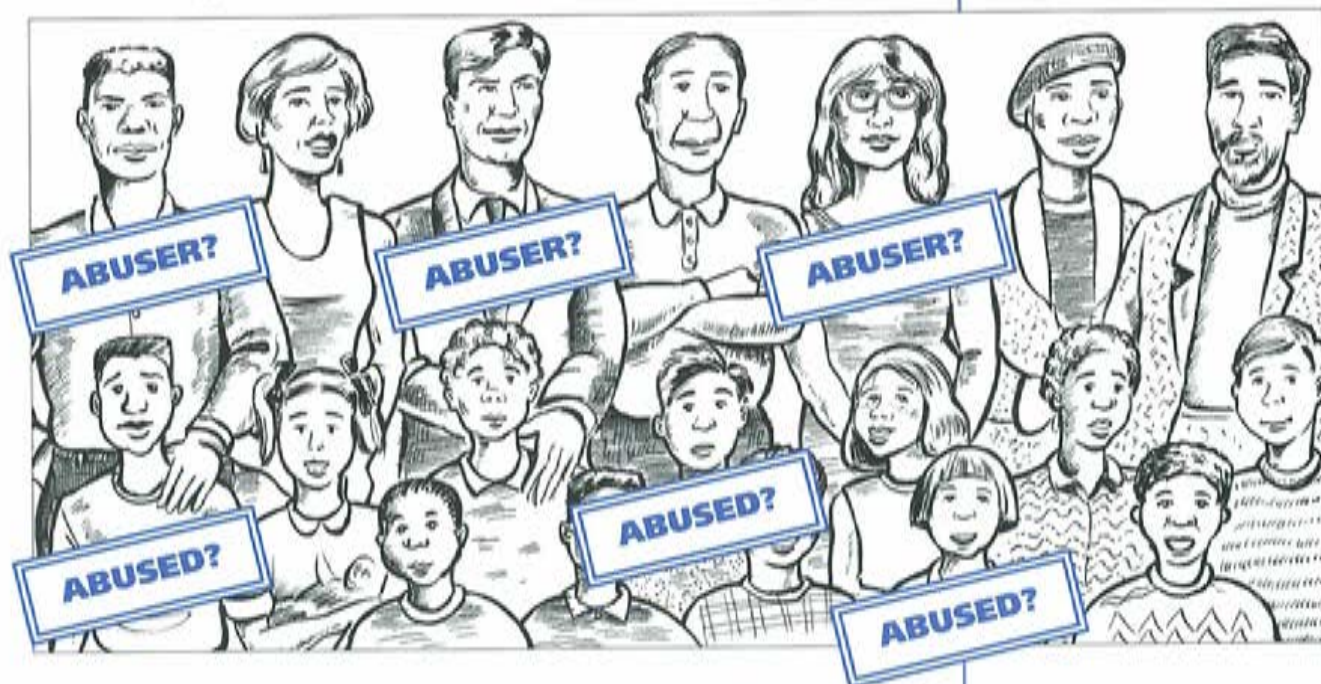
Fortunately, it is possible to move frontiers and mobilise resources in new ways.

The following case study demonstrates why caution is needed when deciding on well-researched and seemingly obvious policy choices.





Combating child abuse



The abuse of children is an international phenomenon affecting people on every socio-economic stratum. Children are abused by their parents, by family members and by strangers. They may be neglected, abandoned, or grow up in conditions of such poverty and distress that they elect to live on the streets. Police in Brazil were recently charged with murdering homeless children who beg and steal in the big cities. In the US, there have been frequent and distressing media reports of child abuse.

Research has shown that when young children are abused and neglected, they tend to behave anti-socially when they become adults. Many celebrated murderers and criminals were abused and neglected as children. In some countries (for example Scotland), home health workers visit families to check on the care of all members, including young children. These people are trained to deal with minor ailments, and to refer family members for more serious treatment when needed. They also screen young children for abuse.

Analysing the options

Public health officials in South Lanida are considering a child abuse screening program. About 10 million children live in South Lanida. Experts think the overall abuse rate is relatively low – perhaps one child in 100. Still, many point out that one abused child is one too many – and, they observe, even a low abuse rate of 1% translates into a total of 100 000 abused children.

South Lanida's Ministry of Health is considering hiring home

health care workers who would visit the hundreds of thousands of families who do not have regular medical care. In particular, they want to make decisions on the following options:

1. If home health care workers are appointed, should they screen families with young children for incidents of child abuse?

2. If such screening is done, what actions should be taken when a home health care worker identifies a family in which abuse is present? Given the accuracy of the child abuse screening test, will most children who are identified as abused have been, in fact, the object of abuse?

Looking more carefully at the implications of abuse screening, it becomes obvious that there are some important issues to be considered.

Based on the abuse rate of 1%, it can be assumed that for every 10 000, 100 will have been abused. Experience with child abuse tests shows that these have an accuracy of 95%. So the test will identify 95 out of every 100 children abused, and five out of every 100 will slip through the net (not be identified).

On the surface this seems like an acceptable margin, but further analysis reveals serious problems. Consider the following table:

		Identified as abused	
		No	Yes
Really abused	No	9 405	495
	Yes	5	95

Of the 9 900 children who are not abused, the test will correctly identify 9 405 (95%) as abuse-free, but it will *wrongly identify 5% (495 children) as abused*. This means that while 100 children have been abused, 590 – 18% of the total – will be identified as abused.

Consider the consequences of implementing a screening policy using this seemingly efficient test:

- Some 495 households will be wrongly stigmatised, with devastating consequences for the families concerned.
- The whole screening system could become suspect, and cases of true abuse might be dismissed.

Delegates comment

The delegates considered two questions relating to this policy choice dilemma:

- Is the trade-off of identifying 95 abused children worth the trauma and legal risk of 495 false identifications?
- If combating child abuse is indeed a priority, are there other policy options?

The following points were made:

- The problem of child abuse is serious enough to warrant some kind of policy, but there are ethical trade-offs: the best test available will wrongly target the innocent, yet one cannot ignore the abused.
- Against this background, it is worth thinking seriously and innovatively about alternative policy measures. For example, one could:
 - devise a better test (pass all positives through a second and more rigorous test);
 - train social workers to minimise the social damage of misdiagnosis and to gather information discreetly.

It was pointed out that there is little point in testing if there is no policy and programme to deal with cases of abuse.



Case study

The South African civil service: modelling the choices

There are many ways of predicting policy outcomes. Some were discussed in Section 3. In some situations, however, it is also possible to test outcomes by using a computer. Computer models are especially useful when we are dealing with numbers, and where choices and trade-offs can be quantified. For example, a university looking at different admissions policies can anticipate the enrolments under different policy alternatives. A housing authority looking at subsidies can predict the demand for subsidies under different rules of access.

Reforming the public sector in South Africa is a policy issue that is both pressing and controversial. People debating alternatives could easily retreat into value-based positions, without any feel for the practical implications of different policy routes. This section demonstrates the use of a computer model to clarify the reality of various policy choices.

Background

Just before the 1994 election, the public sector in South Africa comprised some 1.9 million workers, of whom 65% were white and 35% black. In the top eight grades (200 000 positions), only about 15% of the posts were filled by blacks. Blacks occupied only 3.3% of the 5 900 jobs in the top four grades. There is fairly broad agreement that this distribution of top-level jobs must now change, but the desired outcome has yet to be clearly formulated in policy terms.

The material used in this case study forms part of the Kennedy School/University of the Western Cape Public Service Population Model

Prof Pete Zimmerman, right, and Job Mokgoro, director-general of North West province



The interim constitution suggests two value-based points of departure:

■ '... So that the leadership of the South African government is truly democratic and non-racial in fact and spirit ...'

■ ' ... So that the leadership of the South African government is truly representative of the South African people ...'

Each of these statements implies a different outcome if we are to realise the values expressed. The second outcome might be totally impractical, especially if a literal interpretation requires us to incorporate Xhosas, Zulus, Shangaans and other groups in proportion to their numerical strength in the country.

Identifying the variables

It is critical to know what is possible. Over many decades, true representation may be attainable, but political realities may demand a quicker solution. We need to ask: just what can be done, how, and in what period? The answers may cause us to revise the way we look at various policy options.

There are many ways in which the racial composition of the civil service can be changed. For example:

■ Exit rates can be increased to create more openings for black entrants (for example, through early retirements or retrenchments).

■ The ratio of white to black departures can be changed (for example, by offering whites retirement and retrenchment packages).

■ The ratio of white to black promotions can be changed (for example, through a programme of black advancement).

■ The proportion of black entrants can be changed (through improved training or by means of targeted recruitment).

■ The rate of growth of the civil service can be increased to open up new posts for black entrants.

■ Black candidates for specific (and especially senior) jobs can be selected and brought into the civil service.

A computer model developed jointly by the Kennedy School of Government and the University of the Western Cape takes the pre-election profile of top four civil service grades and projects the black/white mix that will emerge if interventions selected from the list above are introduced. It also shows the impact of interventions pushed to different degrees (for example, an exit rate of 5% or 10%).

The following scenarios generated by the model demonstrate how various approaches to civil service change will affect the top four grades over a period of 20 years.

Scenario 1: the status quo

This scenario assumes that no dramatic reform initiatives will be introduced. It anticipates that:

- 5% of public servants will leave the civil service each year;
- blacks and whites will leave in roughly equal numbers;
- blacks and whites are promoted in roughly equal numbers;
- new entrants will be more or less equally black and white;
- the civil service will shrink (growth rate = -1,5%); and
- no aggressive lateral entry programme will be introduced.



Based on the above parameters, the number of blacks in the top four civil service grades will rise from the pre-election 3% to around 15% in year 20.

Clearly, even given two decades, such a scenario will come nowhere near the constitutional vision of a representative civil service, however broadly this vision is interpreted.

In this scenario, fewer than two in 10 people in the top four grades will be black by year 20.

Scenario 2: accelerating change

The change measures listed previously can be mobilised in different degrees and in various combinations to accelerate change in the racial composition of the civil service. This scenario looks at the outcome of some interventions. It incorporates the following modifications to the status quo model:

- the civil service is allowed to grow by 3% a year; and
- a lateral entry policy ensures that 85% of senior posts filled from outside are occupied by specially selected black managers.

With these changes, blacks will comprise 25% of officials in the top four grades after 20 years. This still falls short of the outcomes envisaged in the constitution, but even this moderate growth is achieved at the cost of an expanded public sector. The implications of this will impact policy in many other sectors.

Of course, other interventions might achieve better results with less cost. The computer model helps us to test these.



Scenario 3: pushing the limits

The third scenario shows that drastic intervention can produce a result where, after 20 years, the top four civil service grades will truly reflect black/white ratios in the country as a whole. Over and above the interventions listed in scenario 2, it requires that:

In this scenario, fewer than three in 10 people in the top four grades will be black by year 20.

■ the exit rate is increased to 7,5% per year;

■ three whites leave for every two blacks;

■ 566 black promotions take place for every 100 white promotions; and

■ 85% of new entrants are black.



This tough approach will ensure that more than 80% of posts in the top four grades are filled by blacks after 20 years.

However, apart from the implications of expanding the civil service, other problems begin to emerge:

In this scenario, about eight in 10 people in the top four grades will be black by year 20.

■ Educational institutions are not producing enough suitably qualified black graduates to fill the available managerial posts. Policy change and resources will be required to deal with this, but even with quick action it will take time for the education system to cope. The schooling system will have to equip more people for tertiary education, and the universities and technikons will have to gear up to meet the demand for skilled public service managers, across a wide spectrum of sectors.

■ Accelerating the exit rate will cost money in terms of severance packages. Pushing the exit rate too far will threaten continuity (which is protected in terms of the interim constitution) and the effectiveness of the civil service. Strongly preferential promotions will break down white morale, with a possible impact on productivity and teamwork.



Civil service reform: testing the options

The constitution provides broad guidelines for the reform of the South African civil service. However, there will be heated debate over the interpretation of these, how to reach objectives defined in terms of different interpretations, and how quickly to get there. In the workshop, delegates argued the merits and shortcomings of each of the three scenarios, and frequently differed widely in the viewpoints they chose to defend.

Against this background, small groups were asked to formulate their own proposals for reforming the civil service, taking the constitutional principles of a) a non-racial civil service and b) a representative civil service into account. The groups discussed among themselves the kinds of interventions they thought were appropriate, and then tested their proposals on computers programmed to run the civil service model.

Policy-makers became athletes as they sprinted between their work groups and the computers, clutching new blueprints for the transformation of the civil service.

The groups then presented their proposals to a plenary session. The debate provided a foretaste of the dynamics that might be expected in a serious debate about civil service reform.

At first, some of the positions adopted by some groups were quite extreme. For example, one team tested a dramatic proposal in which the exit rate would be 40%, with 99 whites leaving for every black departure. They set the black entry rate at 100% (ie no white employment), and showed that the top four grades would be totally black within 10 years.

In discussion, it was accepted that this approach was dangerous in terms of the disruption of the civil service and the need to retain effective delivery capacity in this sector. It was also seen to be unsustainable in terms of the projected availability of suitably trained black candidates, and the costs of massive retrenchment. Further, it was suggested that the racially-exclusive nature of the proposal violates the constitutional requirement for a non-racial civil service, and that the result is not representative of the national racial profile.

We prefer decisive action, but we can see it has to be realistic



Another group argued against strong intervention, preferring an equal opportunity approach with an emphasis on improved efficiency and service, non-partisanship in terms of political affiliations, and colour-blind employment and promotion practice. This strategy was pushed by its protagonists as being the only truly non-racial option for civil service reform.

Criticism from the floor underlined the political risk of failing to purposefully address historical imbalances in the civil service, and within a reasonable period of time. In this context, 'non-racial' was argued to incorporate corrective measures to normalise an abnormal situation.

The striking thing about the computer-assisted policy debate was that options and possible outcomes were readily available, and that a few hours of informed and constructive discussion covered ground that might normally occupy months. Consensus was not achieved, but the following broad areas of understanding emerged:

- Computer modelling makes it clear that it is possible to work toward a civil service that matches the visions expressed in the draft constitution. However, it is also clear these visions are open to interpretation. Further, however the objectives of civil service reform are formulated, there is no viable overnight solution – the changes will take time.

- Modelling civil service change makes it possible to move beyond fine statements of principle, and to make the right choices regarding the mechanics of change. There is a fine balance between transforming the civil service quickly, and retaining continuity and operational effectiveness.

- Being able to simulate the implementation of various options enables policy-makers to find alternatives to measures that are not acceptable. For example, it is possible that a combination of targetted exit and entry policies will have the same effect as expanding the civil service.

An organic process is the way to go, but there are political risks

■ Addressing these mechanisms and limitations of change in a systematic way highlights the broader policy implications of particular actions. Hence it is clear that the debate over the restructuring of the civil service must take place within the context of an education and training policy.

■ Civil service reform will have to be accompanied by measures to ensure a smooth transformation. For example, programmes to transfer skills to black civil servants will be needed. This will require formal inputs (such as this workshop), and in-service training.

■ To be really useful, the model must be nuanced to consider the various branches of the civil service, and its local and regional complexities. It is not only a question of staff changes; some aspects of the civil service will have to be transformed in terms of role and function as well. A big question is the way in which former homeland bureaucracies and new regional authorities will connect.



Overview

Points to remember

- Some public policy choices are particularly tough, because dropping one policy in favour of another may have major social and political consequences. Such a decision must only be made after careful analysis.
- At first glance, some policy choices seem obvious and uncontroversial. The child abuse case illustrates the need for serious analysis, even in such seemingly self-evident cases.
- After careful analysis, situations of seemingly stark choice between one policy option and another often reveal unconsidered possibilities. The minefield of civil service reform is an example: there are many ways of reaching similar policy objectives, and some of these are less damaging than others.

Key terms used in this section

- Computer model:** A specific computer programme that mimics complex processes in real life. Unlike real life, the assumptions can be changed, and the programme re-run at will.
- Trade-off:** Compromise in a situation where preferred options are incompatible.
- Production Possibility Frontier:** The range of trade-off points between two options in a situation of limited resources.

UNDERSTANDING POLICY CONTEXTS

This section was introduced by John Thomas, who also led the subsequent discussion.



Policy is always implemented in a context. The nature of policy and its implementation will be influenced by the circumstances in which the change is taking place; consequent political, public and bureaucratic responses will relate to the nature of the policy itself.

Strategies to carry out new or revised policy must reflect an understanding of these reciprocal relationships, and clarity on how to deal with them. This section will look at the importance of context, and at ways to anticipate responses to policy change.



Case study

Fuelling controversy: the October 1993 petrol price increase

A former minister of Mineral and Energy Affairs, George Bartlett, ran into a storm of protest when he raised the petrol price by 7c per litre in October 1993. Such increases are not unusual, so what went wrong this time? In essence, the minister failed to understand the policy context. In particular:

- The formation of the National Economic Forum had paved the way for negotiation around economic policy. Bartlett's announcement seemed to dismiss the NEF completely.

- Major commercial interests always protest fuel price increases, but the broader public has always lacked a voice. On this occasion the taxi industry was able to mobilise popular action.



■ Taxpayers were showing growing unease over state subsidisation of the Moss gas project. Public opinion linked the price hike with efforts to shore up Moss gas, which they widely perceived as a costly mistake.



Kennedy School input

The circumstances of policy change

The petrol price furore shows that policy contexts can have a decisive bearing on the success or failure of policy interventions. The contexts are frequently complex, and will differ over time and from place to place.

In order to draw some general lessons, it is useful to compare the implications of two broad policy contexts: crisis and non-crisis. A crisis is a situation in which action is required to avoid more serious consequences. It must be perceived by leaders and the public to be a crisis.

	Crisis	Non-Crisis
Issues	Pressing	Non-pressing
Level of attention	High	Medium
Timing	Rapid	Measured
Nature of change	Innovative	Incremental
Stakes	High	Moderate

The context of policy change

By definition, crisis issues will be more pressing than non-crisis issues. The following are some of the contextual considerations for policy change in these two settings:

■ **Level of attention:** policy changes generally draw less attention when they are 'chosen', non-crisis changes.

■ **Timing:** in a non-crisis situation, you can orchestrate the timing; in a crisis, you cannot.

■ **Nature of change:** crisis is a great time to make major changes. In a non-crisis, change is usually incremental.

■ **Stakes:** in a crisis, the stakes are high. Failure to deal with crisis has led to many governments being overthrown. In a non-crisis, the stakes are moderate.

Some leaders try to create a crisis in order to push through a particular policy. For example, the former US president Jimmy Carter tried to push energy conservation policy in the 1970s. He did this by describing energy conservation as the 'moral equivalent of war'. The public were not convinced, however. Expressing the public view, a perceptive columnist noted that 'moral equivalent of war' formed the acronym 'MEOW'!

Leaders are often adept at stage managing crisis situations for their own ends. It allows them to push through new policies, and effect changes more rapidly. On the other hand, there is also a tendency for governments to be in reactive mode when a crisis strikes; in attempting to deal with short-term crises, there is a danger that they will lose sight of the long-term perspective.

Clearly, crisis can both limit policy change and facilitate it. Hence it embodies both danger and opportunity. In general terms, however, a non-crisis environment is better for the implementation of durable long-term policy.

The overall lesson is that in formulating strategies for policy change, policy makers must:

- anticipate the limitations and opportunities imposed by the context; and
- understand the consequences of manipulating it.

Anticipating responses to policy change

Once a government has been in power for some time, an equilibrium of interests evolves. Any change in policy disrupts that equilibrium, and creates new forces. Policy change affects people in different ways, and policy-makers need to be able to predict who is adversely affected by a specific change, how intense the effect will be, and whether the change will be accepted or rejected.

One way of anticipating public and political responses to policy change is to look carefully at the characteristics of the policy itself. The following characteristics will influence the impact and visibility of policy interventions, and hence the response:

Dispersed versus concentrated costs

If the costs of policy change are spread over a wide section of the public, and the benefits concentrated in the hands of a few, this is likely to arouse a strong public/political response (for example, aspects of apartheid policy such as job reservation).

On the other hand, where the cost is concentrated but the benefits are widely dispersed (such as the levies paid by business to the former Regional Services Councils), public reaction is likely to be slight.

Rapid versus slow implementation; low versus high technical content; obvious and wide impact versus hidden and/or limited impact

Policy changes that combine rapid implementation and low technical content, and directly touch many people, will tend to be highly visible and will therefore evoke high levels of public/political attention. One example would be an increase in the bread price. It is suddenly announced and implemented, involves all citizens, and has an impact that is readily understood by ordinary people.

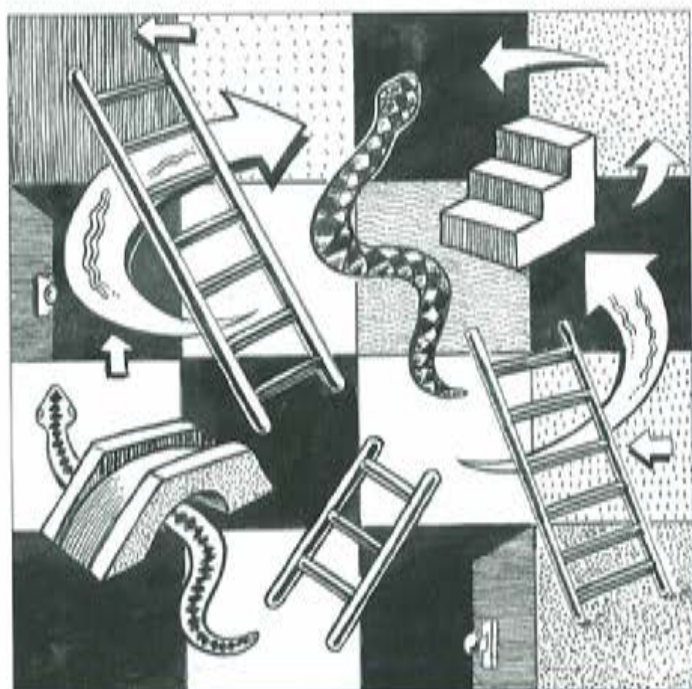
Where policy changes have a low visibility (slow implementation; high-tech content; limited or covert general impact), the public and political response will tend to be muted. For example, policy regarding the technical specifications of different kinds of public roads is unlikely to elicit the attention of the broader public. However, if the issue of toll roads is included, visibility will increase dramatically, and popular reaction is almost inevitable. In general, highly visible policy changes need to be implemented very carefully if they are to be successful.



Case study

Managing the Kenyan Ministry of Agriculture

In thinking about the implementation of policy, it is important to recognise that context influences policy, and policy impacts on context. The new permanent secretary of agriculture in Kenya found himself heading a department that had to change, but which had become entangled in a variety of circumstances which made change difficult. Delegates were asked to advise him.



Background

In August 1978 president Jomo Kenyatta died. Anxieties over succession were widespread. Kenyatta was from the powerful Kikuyu tribe. His successor, Daniel arap Moi, a Kalenji, had to move quickly to consolidate his power base, because the Kikuyus wanted to retain the presidency.

The Ministry of Agriculture was one of the most powerful ministries. Moi decided to appoint a new permanent secretary (PS) for agriculture, not out of concern for the ministry but to place allies in positions of power. Consequently, the post was handed to Joseph Muliro. He had worked in the foreign service and had dealt with complex agricultural trade issues. Other than this, he had had little other experience of agriculture. He was an Abaluya, one of the larger tribes Moi wanted to incorporate in his coalition.

The ministry was organised along lines inherited from the British colonial government, with a hierarchy below Muliro consisting of deputy secretaries, senior assistant secretaries and assistant secretaries. Shortly after taking up his assignment, the new PS noticed that virtually every problem or issue came directly to his office. He found he was reacting to questions that were brought to him and which he was rarely able to control or initiate.

To better understand the situation, he spoke to all the senior staff and consulted a foreign management adviser who had been working in the ministry. He learned that the assistant secretaries (ASs) did not have continuing responsibilities but waited to be assigned specific tasks by the PS or his deputies. The ASs were a capable group, who often sat idle. When they were given a task, they frequently had little background, and had to work overtime to inform themselves.

As he observed the functioning of his staff, the PS noticed that there was an informal power network that ran vertically within the ministry, but often cut across formal lines of authority. This network was based on tribal affiliations. Muliro knew he would have to make some important structural changes.

Delegates comment

The delegates felt Muliro faced a real dilemma: the need to restructure, and to get the support of his staff at the same time. To do this he would have to consider the interaction between his restructuring policy and the inherited constraints and opportunities.

The following suggestions were offered:

- A mission for the ministry should be formulated; this would provide a relatively neutral base from which to consider the strengths and weaknesses of the organisation, and ways to deal with these.
- Reorganisation should emphasise tasks and problem-solving, not rank and tribal affiliation. Established communication links could become an asset if mobilised in a task-oriented setting.
- Muliro will have to build his own power base in the department. This will have to be incremental, and should be across tribal lines. He might have to bring in key people from outside.



Points to remember

- Policies will have different impacts, depending on the nature of the policy and the characteristics of the environment in which the policy will be introduced.
- It is important for policy-makers to consider the likely response to a policy, and to think about ways to manage it. It is also necessary to understand the limitations and possibilities imposed by the socio-political, economic and organisational context. Good policy can get off to a bad start if it is poorly timed and insensitively imposed.

Key terms used in this section

Crisis: A time of acute risk or danger.

Equilibrium: A state of balance or understanding achieved over time among dynamic forces (for example, the different parts of an organisation).

High-tech: High technology; technologically complex; at the forefront of technological development.

BUILDING POLICY SKILLS AND CAPACITY

This section summarises a broad discussion around policy skills in South Africa, led by Dutch Leonard and Ann Bernstein.



As South Africans tackle the policy challenges ahead, they must be certain that the country has the tools and resources to formulate and implement good policy. Two issues need to be considered:

- the capacity and relevance of current training in the field of policy analysis and broader policy skills, and ways in which to make such training more applied and more widely accessible; and
- the nature and effectiveness of the institutions and processes of public policy formulation, and ways to ensure that these are capable, informed and accountable.

Building and broadening skills

There are a number of tertiary institutions in South Africa that offer courses in the general field of government and public administration. These institutions are for the most part well placed to tackle policy skills training, but few do so explicitly at present.

To broaden access to training in policy skills, development organisations serving civil society should consider including such programmes in their capacity-building activities. Few formal NGO-based programmes are in place at the moment.

Teaching policy skills in the US

Training in formal policy skills is well established in the US. The following are key features of the US system:

- Public policy analysis and policy development skills are taught at several major venues. Many students attend formal graduate degree programmes, commonly receiving a master's degree after two years of study; others attend shorter executive programmes, designed for practising professionals. Degree and executive programmes are commonly offered by schools of public policy, schools of business, or economics departments in a university setting. Besides this, universities and other institutions (policy institutes, foundations and private organisations) offer policy-related seminars and training sessions.
- Participants in these programmes come from a wide range of backgrounds. Students in degree programmes commonly have two to five years of work experience as well as a college (bachelor's) degree. Executive programmes draw people from a wide range of backgrounds and experience. Most have 10 or more years of management experience in the public sector, although some have entered public service recently. Some have extensive formal academic backgrounds; others have little prior training in public policy or related analytic skills.

■ University-based training is most common in schools of public policy. Prominent among these are Harvard University's John F Kennedy School of Government, the Woodrow Wilson School of Public Affairs at Princeton University, the School of Public Policy at the University of California at Berkeley, the Hubert J Humphrey School of Public Policy at the University of Minnesota, the School of Public Policy at Duke University, and the Lyndon Baines Johnson School of Public Policy at the University of Texas at Austin.

■ Degree programme curricula generally combine studies of analysis and management. Analytical skills include economic analysis, quantitative analysis, organisational analysis, and political analysis. Managerial skills include leadership, strategy, external and internal communication, and functional management. Executive programme curricula tend to emphasise leadership in guiding decision-making, and are heavily weighted toward political and organisational analysis.

Institutionalising policy capacity

Under apartheid, public policy was shaped in a very confined context. Firstly, policy for the whole population was designed by politicians accountable to a minority. Secondly, policy was formulated in the context of a system where politicians relied on civil service bureaucrats and parastatal organisations for information and policy guidelines. Policy bodies outside this system had very little access, and for the most part could only be involved in the politics of opposition.

At the workshop, it was clear that a democratic government in South Africa would have to be more open and interactive. To achieve this, structural and process changes encouraging much broader state interaction with non-government policy centres and other interests will have to be considered. The more transparent and interactive the policy process, the more limited the scope for arbitrary outcomes. Thus far, the Government of National Unity has made the policy process more interactive. Often, interest groups and concerned individuals are providing input, in some cases as early as a draft discussion paper released by a department even before a White Paper is formulated. However, the government is always acting under pressure. Consequently, the time scales within which contributions must be submitted are often incompatible with internal discussion in organisations outside government, especially where a 'mandate' has to be secured for the input.

It is also sometimes unclear how serious the decision-makers are about the 'consultative process'. At times, the dividing line between genuine consultation and a public relations exercise is very fine indeed. Often, it is evident that the relevant departments do not have the capacity to deal with responses to their drafts.



Making good public policy: the international experience

There are lessons to be learned from the international experience of public policy institutions and processes.

These are not necessarily all applicable to South Africa, but many are worthy of attention. The international experience indicates that the following elements form part of 'making good public policy':

- Involving stakeholders and interest groups to the greatest degree possible, consistent with the nature of their input. Here a critical distinction must be made between contribution to the principles or broad direction of policy, on the one hand, and a detailed technical input on the other.

- Most modern policies are extremely detailed and often technical, and expertise becomes a crucial factor. Accordingly, civil society institutions wishing to carry their role and influence into these technical areas must ensure that they have (or have access to) appropriate technical expertise. Many a point of 'principle' has been lost because stakeholders did not realise that a complicated technical provision actually negated the principle. 'Legal advisers' to governments are usually very adept at this trick.

- It is true that policy-making is partly based on good ideas and sound research. However, an important role still remains for personal influence. Accordingly, the advocacy of ideas needs to be combined with the lobbying of individuals who will have a say in the final policy. Lobbying is a perfectly honourable way of bringing influence to bear, and is often decisive where an objective analysis does not point clearly to one option.

- The dissemination of information among all stakeholders is a vital part of a good policy-making process. However, this is not only the government's business; other stakeholders must disseminate their views, both among the general public and in the 'policy subsystem' of technocrats working on the details of policy. Using the mass media becomes a vital part of the policy process.

The following conclusion arises from the international experience: 'Ideas have policy consequences, but people make policy.' Those wishing to be influential in policy-making need to be good at ideas *and* at human relationships.





The policy challenge in South Africa

In a closing address, Ann Bernstein outlined the challenges facing South African policy-makers and suggested how – using the understanding gained during the workshop – they could be most constructively approached.

It is important that South Africa gives attention to the vital task of building policy capacity. A far greater depth of skills is required in both the public and private sectors. These skills must include:

Policy formulation: Policy is the foundation for good government; it communicates what society values; provides overall direction; and is a yardstick for accountability and evaluation.

Policy analysis: A structured way of thinking about choices before deciding on a particular course of action. The techniques of policy analysis can take debate beyond arguments about values. Policy analysis makes it possible to predict the likely outcomes of various policy options.

Predicting policy outcomes: An important part of policy analysis is predicting the possible outcomes of policy choices. Whatever method of prediction is used, it is risky and highly irresponsible to implement public policy when the possible outcomes have not been considered or if the predicted outcome has not been fully thought through and tested where possible.

Examining policy options: Policy-makers are often faced with the problem of making difficult trade-offs. Before doing so, it is important to have considered the likely trade-offs and examined all the possible alternatives. Often choices are not policy A or B but a more complex mix that can minimise negatives and possibly maximise positive spin-offs.

Understanding policy context: Policies should not only be thought about in technical terms, but need also to be considered and chosen in context. Will it work in this community or society at this time; and how will it be perceived and interpreted by all the relevant parties?

Implementation: Thought must always be given to how a policy will be implemented. Are the roles of the different 'players' clear and consistent? Is there sufficient capacity to play the role demanded of the particular government or private sector agent? Often policies will need significant adaptation because of a lack of capacity, which will differ from society to society and from area to area.

Evaluation: How will the policy-maker know when a policy is failing? Are there mechanisms for monitoring and evaluating the implementation of the policy? Have targets for delivery and mechanisms for accountability been estab-



lished? Will the policy be regularly reviewed? Can the people responsible for implementation effectively monitor success or failure, or are independent channels necessary?

Policy advocacy: It is critically important to distinguish between policy analysis and policy advocacy. Policy analysis needs to explore as rationally and honestly as possible the implications and possible outcomes of adopting this or that policy. Advocacy concerns how best to persuade others that the policy you want is the best one for everyone else to adopt. This will involve selective emphasis and use of material, and ways in which to counter the arguments made against your chosen policy.

Challenges for South Africans

Decades of minority rule and the imposition of apartheid policies had two consequences for public policy-making in South Africa. Firstly, great expertise was acquired in criticising government policies and exposing the flaws in their implementation. This expertise should not be exaggerated, as the moral critique was so overwhelming that it was often felt unnecessary to expose the flaws of policy in any other terms. Thus the positive skills involved in carefully dissecting a government policy and analysing why its impact on society is different from the stated intentions and predictions of the policy-makers were underdeveloped and often deemed irrelevant in apartheid South Africa.

Secondly, because of the nature of the struggle against apartheid, morality and intentions became a much larger part of the public policy debate than is often desirable. Now that most South Africans agree on common national goals and accept their common citizenship of the same country, a much more professional and detailed approach to public policy will be required as different interests start to engage with each other on the best way of implementing national objectives.

None of the above should be understood to mean that policy must be divorced from politics. Far from it. Government policy (or for that matter the policy of any organisation) is the practical expression of political interests and ideals as applied to national challenges and problems. And in a democracy, the many different influences on the public policy process are important ingredients in getting results. However, it is possible to distinguish between a rational, unemotional analysis of the different steps involved in formulating effective policies, and the political interests, ideas and often heated debate that will affect which policies are ultimately chosen and implemented by the ruling political groups.

The challenges that face South African policy-makers now are complex and numerous. A description and examination of the more important challenges follow.

It is possible to distinguish between a rational analysis of the steps involved in formulating effective policies, and the political interests, ideas and often heated debate that will affect which policies are ultimately chosen and implemented.

Lessons of our past

■ To avoid reliving the policy mistakes of the past, South African policy-makers need a good understanding of why previous policies worked or failed.

■ Apartheid involved a set of policies that made assumptions about the power of the state to fundamentally change society; about the nature of individuals; and about the role of the market. A thorough analysis of what happened in South Africa during that period provides important lessons regarding what it is possible for the state and others to actually achieve in the future.

■ Notwithstanding all the talk about the decentralisation of power to the 'homelands', apartheid was a highly centralised approach to South African policy-making. A single ideology drove a closed bureaucracy and political elite in almost all their decisions. This has affected how many people think about and behave towards policy making today.

■ South Africa is large country and a diverse society. It is impossible for politicians and bureaucrats living in the large cities to know what is best for the millions of people who live in very different circumstances in the towns, villages, provinces and other cities around the country. This reality has important implications for policy-makers.

To avoid reliving the policy mistakes of the past, South African policy-makers need a good understanding of why previous policies worked or failed.

Create a democratic approach to public policy-making

■ Open policy debate must take place. Answers must not be prejudged. Particular interests might be fairly sure about the right way to go, but all of us must learn to listen and to evaluate options carefully and honestly.

■ Committed democrats can disagree on the best approach to dealing with a country's many challenges. These differences can be about philosophies of change, economic growth or development strategy; they can also be differences about how particular policies will play out in the complexities of the South African situation.

■ Central, local and provincial government, political parties and independent organisations will need to develop capacity to formulate detailed policies and to absorb the new ideas, comments and approaches that emerge from an honest consultative process.

Committed democrats can disagree on the best approach to dealing with a country's many challenges.

South Africa is a developing society

■ A democratic policy process assumes that interests within a society – political and other – can participate in the public debate to influence national or regional policies.

■ The problem is that many interests in a developing society are not organised; among them are unemployed workers, who may constitute as much as 50% of the labour force; homeless people; squatters; and consumers.



■ What tends to happen is that the policy process is dominated by generally urban, organised, middle- and working-class interests, representing only a small part of the population in a country like South Africa.

■ What this means is that the views of a large part of the population are not heard in the policy debate. As a consequence, less thought is given to how the proposed policy will impact on these parts of the population, about whom so much less is known.

■ Policy processes can be designed to cater for this problem (albeit imperfectly) by providing opportunities for less organised and generally ignored communities of citizens to be included in some way or another. For example, house to house surveys can be done to find out what individuals in an area actually think, want or consume. Or information and consultation meetings can be held in communities (such as informal settlements) that are normally neglected in the public debate, thus eliciting their response.

■ In a developing country, the capacity of the state cannot be assumed. This is especially the case in South Africa, where the new bureaucratic elite has in most cases been denied any previous opportunity to gain experience, and the old bureaucracy generally does not have expertise in development or social issues.

■ Thus the reality of a limited state capacity has to be a major consideration in any policy formulation and selection process.

Priorities

■ The new government in South Africa has to deal with almost every aspect of our society in order to remedy the errors and structural injustices of the past. It has to do that while also assuring that the country's economy reintegrates into a rapidly changing and very competitive global economy.

■ Perhaps the greatest challenge that faces the country's policy-makers is to accept that while every area of policy is important, it is impossible to deal with all of them simultaneously. Choices will need to be made, and priorities selected.

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■ The politics of choosing and then focusing on priority policy areas (between sectors and within sectors) will be an extremely challenging task for all levels of decision-makers. The reality of only being able to implement certain areas of policy at a time will also have important implications for how policies are received, and the impact they will have on social and economic processes. These realities will need to be borne in mind when assessing the correct policies to adopt.

■ Often the power of policy analysis (and advocacy) will not lie in 'solving' problems defined by others, but in redefining problems within a framework that makes them capable of resolution.

■ Policy priorities will need to involve *what* society is talking about as well as *how* it should go about talking.

Quality of the policy process

■ Policy-makers and policy advocates must be explicit about values and assumptions, and if necessary pushed to do so.

■ The distinction between policy analysis and policy advocacy must be clear. People who confuse the two often believe their own propaganda. Policies often fail when their advocates are immovably married to a particular ideology, whether on the right or the left, and are therefore disinclined to listen to rational arguments concerning costs and benefits of particular policy approaches.

■ The quality of the South African policy process will depend on many variables. Among the most important are the strength and diversity of independent policy centres; the capacity and willingness of the state to engage outside interests and to genuinely listen; the sophistication and independence of the media; and the quality of the policy training available to more and more South Africans.

Perhaps the greatest challenge that faces the country's policy-makers is to accept that while every area of policy is important, it is impossible to deal with all of them simultaneously.

The distinction between policy analysis and policy advocacy must be clear. People who confuse the two often believe their own propaganda.

■ In most policy areas, it is possible to set quantitative objectives and time tables for their achievement. This provides a practical way of monitoring delivery against these objectives. Policy-makers should be encouraged to do this whenever possible.

Facts matter

■ Good policy always starts with a thorough understanding of where you are starting from.

■ Good policy must be built on detailed information: a country's population statistics; income; migration patterns; and the specific data relevant to the particular policy area. The nature of this data can often change the focus and direction of a particular policy.

Good policy always starts with a thorough understanding of where you are starting from.

Scale, affordability and sustainability

■ The South African population is growing, and resources are limited. The limited resources relate to natural resources (eg land, water, minerals); human resources (we have constrained managerial and technical capacity); and financial resources.

■ These realities, coupled with the enormous backlogs inherited from the apartheid past, mean that the scale of impact is a critical consideration for any effective policy proposal.

■ When one considers scale, this can often affect the viability of a proposal which in other respects could be sound. So knowing how many people are affected by a particular policy, what they can afford and the rate of growth of this part of the population provides important facts that need to be inserted into the policy analysis.

■ Policies need to be sustainable over time, so the economics of policy proposals must be carefully considered. A key challenge is how to gear available state resources so they can be stretched as far as possible. This means looking for ways to encourage other sources of finance to contribute in the particular policy sector, such as private sector commercial finance and the resources (savings, sweat equity) of private households.

Policies need to be sustainable over time, so the economics of policy proposals must be carefully considered.

International experience

■ One of the advantages of South Africa's late arrival as a democracy is that we can learn from the experience of other countries.

■ There are many other middle-income developing countries which face challenges similar to those confronting South Africa today. Understanding what they have done and achieved can provide important insights for South Africans in deciding what to do and what not to do in building a better society.

One of the advantages of South Africa's late arrival as a democracy is that we can learn from the experience of other countries.

- This means that examination of the international experience and the possible implications for South Africa on any particular topic is an essential component of an effective policy process.
- This does not imply that South Africa is exactly like any other country, but that there are sufficient similarities to learn lessons from elsewhere and sometimes apply the innovations and broad approaches that have worked in other places.

Getting roles right

- Every society is different, and the capacity of diverse sectors and players in a society will differ radically.
- Good policy is always clear on the roles that key players are anticipated to play. Thus good policy will spell out the desired role of the central government and other tiers of government; the anticipated and desired role of the market and its different components; the predicted response of individuals to the policy; and so on.
- Once roles are clearly defined, it is essential to define the 'rules and regulations' in such a way that these roles can be fulfilled.

Good policy is always clear on the roles that key players are anticipated to play.

Policy-makers need humility

- Policy analysts and planners need humility. It is important to understand that public policy can only affect certain aspects of society, and then only to a limited extent. Public policy is not the cure of all ills.
- It is often very difficult to undo bad or ineffective policy. Policy-makers must be as thorough as it is possible to be in thinking through the likely intended and unintended consequences of their proposed policies.
- However good policy-makers are at policy analysis, evaluation, listening, implementation and so on, it has to be accepted that any intervention in a society is something of an experiment. A lot of money can be usefully spent on predicting the likely impact of policies, but the truth is that we do not really know what the full set of consequences of implementing this or that health or education policy will be.
- This means that anyone involved in public policy-making (whether this is government, business, unions, communities or NGOs) needs to be very cautious, because policies have consequences and frequently these are unintended.
- The consequence of seeing policy as a series of experiments is not to be afraid to do anything, but rather to allow many different experiments to take place simultaneously throughout the country.
- There should be different approaches to housing, health, education, civil service reform and the selection of priorities in different parts of the country. After all, the conditions affecting all the different aspects of successful policy formulation and implementation are different in different parts of a large country. The capacity of the state and the market, the array of resources and the priorities of

The consequence of seeing policy as a series of experiments is not to be afraid to do anything, but rather to allow many different experiments to take place simultaneously throughout the country.



communities and individuals all differ throughout South Africa.

- If we have many different experiments taking place throughout the country, we will be able to see what works and what does not, and very quickly successful experiments will have a positive snowball effect. This is far preferable to an approach that insists that policy and priorities must be exactly the same throughout the country, because if this one approach fails – as apartheid did – the result will be a massive national disaster.

- It is important to remember that intervention is not always called for. Sometimes the best policy is no policy at all.

Individuals that count

- Public policy should be tested in terms of the impact that it has on individual South Africans' lives.

- If there is new legislation, if there is debate on the allocation of resources, if there is a new education policy, we need to assess the impact of such policies and changes on the lives of individuals throughout the country, wherever they might live.

Public policy should be tested in terms of the impact that it has on individual South Africans' lives.



Tasks for policy-makers

In a final discussion, delegates added their perspectives on the challenges facing South African policy-makers.

Comment:

Policy skills in the new South Africa must not be confined to the institutions of the central state. They must permeate to every level of decision-making, and especially to regional and local government. It is critical that policy analysis and related skills be seen to work toward reconciliation and development, and not as a device to undermine the new order.

Comment:

The ability to conduct sophisticated and detailed policy debate is important, but a much more difficult challenge is to enable a large illiterate and semi-literate population to participate in policy processes. This intention is expressed by many who look forward to democratic and development-oriented government, but the 'how' has yet to receive detailed attention.

Many former activists are unsure how to get their constituencies involved in policy matters. There is major work to be done in this respect.

Comment:

It is easy for us to sit back and ask who will be responsible for policy skills training. The fact is that this is a national responsibility. Many of the delegates here are able to take the example of this workshop forward, and we should do so wherever we can.

Comment:

We must be realistic about policy skills and training. It is impossible for everyone to be an expert, and even for experts to cover all sectors. Good governance requires that skills are used to maximum effect. Hence, politicians and policy experts will have to work together much more closely, and networks will have to be established in particular policy sectors.

COMMENTS ON THE WORKSHOP

As the workshop ended, a number of delegates were asked whether they had found it useful or instructive, and what they considered to be its most important contribution.



The workshop helped to sharpen the tools I have been using. I feel I can offer my services to the new government to restructure the public service. I would ask that those involved in policy review their policies and detach themselves from their biases. The Freedom Charter articulated the values of a democratic South Africa, and then we went through a period of adjustment, learning the limits of our capacity to deliver. – *Bongive Njobe*



I study policy and am involved in policy formulation. As far as I was concerned, the main benefit of the workshop was learning the basic building blocks of policy analysis, its components, and what you need to focus on when predicting the outcome of policy. – *Khehla Shubane*



The most interesting part of the workshop was to see how some economic concepts are linked to policy analysis. The models presented were useful tools for looking at the way in which we formulate policy. – *Howard Gabriels*



The workshop helped to sharpen my understanding of policy formulation and analysis. That the presenters managed to keep the process going for four days was remarkable. It will certainly help me with my work. – *Cas Coovadia*



This is a new area for me, and the skills acquired here will certainly be useful for policy formulation in my department. – *Sandy Shaw*



I'm involved in debates around new policy formulation with the various political parties and within NGOs. I recognise that there is a need to think carefully and strategically before implementing policy. It was easier in the days of the anti-apartheid struggle – one didn't need policy, just slogans. New policies are needed to bring about a non-racial, non-sexist society. The challenge for me is to support this process so that people can get used to the idea that they cannot simply impose policies on others. They need to look at it in all its implications before it is implemented. – *Eric Apelgren*

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