POLICYMAKING PROCESS AND METHODS: AN INSTITUTIONAL ANALYSIS

Syeda Afshan Aziz  
Assistant Professor  
Department of Pakistan Studies  
Sir Syed University of Engineering and Technology  
Karachi - Pakistan  
afshanather@live.com

Dr. Muhammad Habib  
Assistant Professor  
Newports Institute of Communication and Economics  
Karachi - Pakistan  
habib3341@gmail.com

Qurat ul Ain Saleem  
Research Scholar  
Department of Public Administration  
University of Karachi  
Karachi - Pakistan  
quarat_ain0209@gmail.com

Abstract

Policy-making is regarded to be a critical process that shapes the wellbeing and development of societies. It involves the creation and implementation of laws, regulations, and programs that help governments address the complex challenges faced by modern or developing societies. Effective policy-making requires the involvement of various stakeholders, which entails government officials, interest groups, civil society organizations, and the public. The institutional analysis of policy-making process involves examining the formal and informal rules, norms, and incentives that shape the behavior of actors involved in policy-making. It can help people identify the stakeholders involved in policy-making, their incentives, and the constraints they face. In recent years, Pakistan's policymaking process has faced a number of challenges and issues. The lack of coordination and collaboration among various government departments and agencies is one of the most significant challenges. This frequently results in contradictory policies and ineffective implementation. Another issue is the influence of powerful interest groups,
as well as a lack of transparency in decision-making processes. These issues have slowed the pace of reform and hampered progress towards policy objectives. The case of Pakistan is incorporated in this article, which highlights the need for improved coordination and collaboration among government agencies, transparency in decision-making processes, and effective monitoring and evaluation mechanisms to ensure successful policy implementation. This op-ed sheds some light on policymaking as a crucial process for achieving national goals and improving the lives of citizens.

Keywords: policymaking, policy design, policy outcomes, IAD framework, Pakistan,

Introduction

Policy-making processes and methods are essential for the development and implementation of policies effectively. The policy-making process exists as a set of interrelated stages that provide a general framework for understanding policy development. Effective policy analysis is crucial to determine how effective the policy is, and if it is not effective, to make the necessary changes that will allow the problem to be solved (Pettigrew, 2014). Moreover, when it comes to institutional analysis of, it is considered to be a powerful tool that can help understand how policy-making processes work and how they can be improved (Ostrom, 2019). In view of this perspective, this article will explore the different stages involved in policy development, including policy analysis, decision-making, and implementation. It will also discuss the role of institutions in shaping policy outcomes and provide an overview of the Institutional Analysis and Development (IAD) framework for policy analysis and design. Besides, the case study of developing countries and general and Pakistan in particular is chosen in order to assess challenges or obstructions in the way of effective policy making, such as weak governance structures, and how institutions can be reformed in terms of their role in effective policy making process.

Stages of Policy-Making Processes

According to Fischer & Miller (2017), the policy-making process involves a series of stages that provide a general framework for understanding policy development. The stages can vary on the basis of specific policy context and issue, but generally include the following:

Agenda Building

It is the first stage of the policy-making process and involves recognizing a problem or issue that needs to be addressed and bringing it to the attention of policymakers. This stage involves identifying potential solutions, gathering input from stakeholders, and assessing the feasibility of different policy proposals. Agenda building typically goes through some stages ranging from problem identification and interest group to media attention and political support. The former two involves recognition of a problem that required to be addressed, coupled with involvement of organisations, businesses and citizens in terms of advocating their interests. The latter two on the other hand, involves role of media in raising
public awareness as well as political support from the general people that help decision makers in executing amenable policies for socio-economic benefit.

**Policy Formulation**

It is the second stage of the policy-making process, which involves developing potential solutions to address identified issues. During this stage, policymakers consider various options and alternatives for addressing the problem or issue at hand. They may consult with experts, conduct research, and gather input from stakeholders to develop a policy proposal. Policymakers must also consider the feasibility of implementing different policy proposals. Policy formulation typically goes through three stages entailing problem definition that helps define the problem that requires to be addressed by identifying the root causes of the problem, in addition to policy options that involves consideration of various options and alternatives, including regulatory approaches, market-based mechanisms, or public-private partnerships, and finally and feasibility options that explore factors like cost, political viability, legal constraints, and administrative capacity in order to assess feasibility of different policy options (Cairney, 2019).

**Policy Adoption**

Policy adoption is another important stage in the policy-making process where policymakers select a solution and formally adopt it as policy. This stage involves making decisions about which policy proposal to implement and how it will be implemented. Policymakers may debate the merits of different proposals before selecting one for adoption. During this stage, policymakers usually ensure that there is sufficient political support for the selected policy proposal. They also appear to make sure that the proposed policy is consistent with existing laws and regulations and that it does not conflict with other policies or programs. Once a policy has been adopted, policymakers determine how to implement it effectively (Ostrom, 2019). This may involve developing specific plans for carrying out the policy and allocating resources to support its implementation.

**Policy Implementation**

Policy implementation is the final stage in the policy-making process where policies are put into practice in order to achieve desired outcomes. This stage involves developing specific plans for carrying out the policy and allocating resources to support its implementation. During this stage, policymakers allocate resources to support the implementation of the policy, educate people or organizations affected by the new policy, change pre-existing administrative operations and systems (or create new ones), and monitor its progress. Policy implementation typically goes through these stages: planning, resource allocation, legal compliance, administrative capacity, and monitoring and evaluation (Birkland, 2019). By and large, effective policy implementation is critical for achieving desired outcomes and ensuring that public policies have a positive impact on society.
Literature Review

Deciphering IAD Framework

The IAD, an acronym of Information, Action, and Decision, is a framework or a model used to analyse the communication process between individuals or groups. It was developed by ‘Richard L. Daft’ and ‘Robert H. Lengel’ in 1986 as an extension of their earlier work on media richness theory. Media richness theory is a framework used to describe a communication medium's ability to convey information effectively. The IAD framework builds on this theory by providing a structured approach to analysing how information is exchanged and acted upon within organizations (Shahab, 2019). The IAD framework consists of some stages including information, action, and decision. In the information stage, information is exchanged between individuals or groups. In the action stage, on the other hand, individuals or groups take action based on the information they have received. Besides, in the decision stage, outcomes of the actions taken in response to the information received are evaluated. The IAD framework has been widely used in policy design and analysis as it provides a structured approach to analysing communication processes within organisations. By using this framework to evaluate how information is exchanged and acted upon within an organization, policymakers can identify areas where communication breakdowns occur and develop strategies to improve communication and decision-making processes (Farooqi, 2016). This can lead to more effective policy outcomes, which may result in socio-economic uplifting of the society.

Impact of IAD Framework on Policy Outcomes

Since IAD framework is considered to be a structured approach, it has the potential to improve effective policy outcomes in a variety of ways. First, the framework can lead to more informed and evidence-based policy decisions by ensuring that decision-makers have access to relevant and accurate information. Second, it encourages a systematic approach to policy development and implementation, which can help ensure that policies are implemented consistently and effectively (Fischer & Miller, 2017). Third, by stressing the importance of engaging with stakeholders throughout the process of policy development, it can improve stakeholder engagement and collaboration. Finally, the IAD framework can better guarantee that decisions are based on relevant information, are consistent with policy goals, and are properly implemented by providing a structured approach to decision-making (Farooqi, 2016). Overall, the IAD framework can contribute to more effective policy outcomes by ensuring that policy decisions are informed.

Some findings have also highlighted the limitations of the IAD framework. For instance, when taking the study of Lawrence & Buchanan (2017) into consideration, it applied the IAD framework to the development of a renewable energy policy in China. The study found that the IAD framework proved to be useful in identifying relevant information and actions; however, decision-making was often influenced by political and economic factors, rather than the available information and actions.
Benefits of IAD Framework for Policy Design and Analysis

As per Birkland (2019), the IAD framework benefits policy design and analysis in several ways. Firstly, it provides a structured approach to analysing communication processes. By using this framework to evaluate how information is exchanged and acted upon within government institutions or organisations, policymakers can develop strategies to improve interaction among different departments as well as decision-making processes. This can lead to more effective policy outcomes as policies are developed with a better understanding of how they will be communicated and implemented. Besides, the IAD framework helps policymakers identify the institutional configurations that are most likely to lead to desired policy outcomes. By analysing the social settings or action-situations in which participants act and interact to generate policy outcomes, policymakers can identify the rules and norms that incentivize or restrict certain behaviours. This can help policymakers design institutions that encourage behaviours that lead to desired policy outcomes. More importantly, the IAD framework offers a theoretically rich approach for diagnosing and designing policies (Ostrom, 2019). It integrates multiple concepts from institutional analysis and development (IAD) frameworks such as institutional grammar, institutional rules, norms, and incentives.

Models or Cases of Changing Policies and their Effectiveness

There are several successful examples of changing policies in developing countries that have had a positive impact on society. These include:

1. Conditional cash transfer programs:

   Conditional cash transfer programs (CCTs) are a successful example of changing policies in developing countries that have had a positive impact on society. CCTs provide cash transfers to poor households on the condition that they meet certain requirements, such as keeping their children in school or attending health check-ups. CCTs have been successful in reducing poverty and improving health and education outcomes in several developing countries. For example, China’s health program has been successful in reducing poverty and improving health and education outcomes among poor households (Lawrence & Buchanan, 2017). Similarly, ‘Oportunidades’ program disseminated in various East Asian countries has been successful in reducing poverty and improving educational outcomes among poor households (Mubashar & Salman, 2020). CCTs have several advantages over traditional welfare programs. They provide incentives for poor households to invest in their own human capital by meeting certain requirements, which can lead to long-term improvements in health and education outcomes.

2. Agricultural subsidies

   Agricultural subsidies are another successful example of changing policies in developing countries that have had a positive impact on society. Subsidies for farmers can help to increase agricultural productivity and improve food security in developing countries. In India, the government provides
subsidies for fertilizers, seeds, and other inputs to farmers. However, these subsidies have been criticized for leading to overuse of fertilizers and other inputs, which has led to environmental degradation and reduced soil fertility (Ahmad, 2015). Additionally, the subsidies have not always reached the poorest farmers who need them most. As far as Pakistan is concerned, the government also provides subsidies for fertilizers and other inputs to farmers. A recent study (Hassan & Lee, 2019) found that real fertilizer subsidies have increased in both Pakistan and India over the past three decades. However, farming is still not highly profitable in Pakistan due to a lack of sufficient subsidies.

Similarly, in China, agricultural subsidies have been successful in increasing agricultural productivity and improving food security. The subsidies have helped to increase the use of modern farming techniques and technologies, which has led to significant improvements in crop yields. Agricultural subsidies have several advantages over traditional welfare programs. They provide incentives for farmers to invest in their own human capital by adopting modern farming techniques and technologies, which can lead to long-term improvements in agricultural productivity (Brinkerhoff & Brinkerhoff, 2015). Additionally, agricultural subsidies are targeted towards the poorest farmers, which ensures that resources are directed towards those who need them most.

Social protection programs, such as unemployment insurance and pensions, can also help to reduce poverty and improve social welfare in developing countries. For example, South Africa’s social grant system has been successful in reducing poverty among vulnerable populations (Shah & Bukhari, 2019).

3. Educational and health reforms

These reforms are other successful examples of changing policies in developing countries that have had a positive impact on society. Educational reforms aimed at improving access to education and increasing the quality of education can have a significant impact on development outcomes. For example, Vietnam’s education reforms in the early 2000s were successful in increasing access to education and improving educational outcomes (Ahmad, 2015). Similarly, health sector reforms aimed at improving access to healthcare services, increasing the quality of healthcare services, and reducing healthcare costs can have a significant impact on development outcomes. For example, Nepal’s health sector reforms in the late 2000s have proved to be successful in improving access to healthcare services and reducing healthcare costs (Khan, 2018).

In Pakistan, the government has implemented a public subsidy program to low-cost private schools in the province of Punjab known as the Foundation Assisted Schools (FAS) program. The program has been successful in increasing access to education and improving educational outcomes among poor households (Jabeen, Jadoon & Salman, 2016). Similarly, in India, the government has implemented a number of health care reforms aimed at improving access to healthcare services, increasing the quality of healthcare services, and reducing healthcare costs. These reforms have been successful in improving access to healthcare services and reducing healthcare costs (Sirajul, 2015).
Overall, educational and health reforms are successful examples of changing policies in developing countries that have had a positive impact on society. By focusing on improving access to education and healthcare services, increasing the quality of these services, and reducing costs through measures such as increased government spending on education and healthcare, policymakers can develop more effective policies that have a positive impact on society.

**Theoretical Framework**

To comprehend the concepts of public policy analysis and decision making, one must consider the theories that shed light on the underlying causes and effects of these processes. This section delves deep into some recent and relevant theories and their implications for public policy analysis and decision making.

1. **Group Theory**

   Group Theory is an approach to policymaking that suggests that groups with shared interests compete for influence over policy decisions. It views policymaking as a process of bargaining between different interest groups, where each group seeks to maximize its own interests and gain the most benefit from the policy outcome. Group Theory emphasizes the importance of understanding how different groups interact and negotiate in order to shape policy outcomes. It also recognizes the role of public officials in mediating between different groups and helping to reach a consensus on policy decisions (Sabatier & Weible, 2014)

2. **Institutional Theory**

   Institutionalism or Institutional Theory is an approach to social theory that focuses on the role of institutions in shaping social and political outcomes. It emphasizes the importance of understanding how different institutions interact and how they shape policy decisions. It also recognizes the role of public officials in mediating between different institutions and helping to reach a consensus on policy decisions (Cairney, 2019). Institutionalism suggests that institutions play a key role in shaping policy outcomes, as they provide a framework for decision-making and help to ensure that policies are implemented effectively.

3. **Elite Theory**

   Elite Theory is an approach to political science that suggests that a small minority, consisting of members of the economic elite and policy-planning networks, holds the most power in society. This theory posits that power is concentrated in the hands of a few individuals or groups who control key institutions and resources. Elite Theory emphasizes the importance of understanding how different elites interact and how they shape policy decisions (Sabatier & Weible, 2014). It also recognizes the role of public officials in mediating between different elites and helping to reach a consensus on policy
decisions. Elite Theory suggests that policymaking is an elite activity where decisions are made by those with the most power and influence. It emphasizes the importance of understanding how different elites interact and how they shape policy outcomes. It also recognizes the role of public officials in mediating between different elites and helping to reach a consensus on policy decisions (Brinkerhoff & Brinkerhoff, 2015).

4. Policy Cycle Model

The Policy Cycle Model is a framework that suggests policymaking is a cyclical process that involves several stages. The model identifies different stages of the policy process, including agenda setting, policy formulation, adoption, implementation, evaluation, and revision. Policymakers use this model to guide their decision-making process and ensure that policies are developed and implemented effectively. The first stage of the policy cycle model is agenda setting, where policymakers identify issues that require attention and prioritize them based on their importance. The second stage is policy formulation, where policymakers develop potential solutions to address the identified issues. The third stage is adoption or decision-making, where policymakers choose the best solution from among the alternatives developed in the previous stage. The fourth stage is implementation, where policymakers put the chosen policy into action. The fifth stage is evaluation, where policymakers assess whether the policy has achieved its intended outcomes. Finally, if necessary, policymakers may revise or modify policies based on feedback from stakeholders or changes in circumstances (Faguet & Poschl, 2015).

Methodology

The purpose of this study is to look into policy making processes and methods from an institutional perspective. For this, a secondary qualitative research method was chosen, which is usually helpful in comparing and contrasting analyses of various literatures on the related topic (Ruggiano & Perry, 2019). The challenges or impediments in the way of effective policy making and outcomes in Pakistan were critically assessed by analysing various web sources or databases such as published journal articles, university-based research papers, government reports, and scholarly arguments. Thus, given the nature of the research topic, the qualitative research strategy appeared to be the most appropriate for reaching a logical conclusion to the study.

Discussion

Role of Institutions in Shaping Policy Outcomes

Institutions play a critical role in carving out effective policy outcomes. As stated by Hassan & Lee (2019), institutions are the formal and informal rules, norms, and procedures that govern behaviour within organizations or societies. They can include government agencies, legal systems, political parties, civil society organizations, and other entities that influence policy-making processes. In developing countries like Pakistan, institutions often face challenges such as corruption, weak governance
structures, and limited resources. These challenges can hinder effective policy-making processes and lead to poor policy outcomes. For example, corruption can undermine the effectiveness of policies by diverting resources away from their intended purposes. In the same vein, weak governance structures can lead to ineffective implementation of policies due to a lack of capacity or accountability (Shah & Bukhari, 2019). Thus, to address these challenges, policymakers ought to focus on strengthening institutions through reforms aimed at improving transparency, accountability, and capacity-building.

For instance, Pakistan has implemented several institutional reforms in recent years aimed at improving governance structures and reducing corruption. These reforms entail establishing anti-corruption bodies and increasing transparency in government procurement processes (Khan, 2018). To infer, the role of institutions in shaping policy outcomes cannot be overstated. In this regard, policymakers must focus on strengthening institutions through reforms aimed at improving transparency, accountability, and capacity-building to ensure that policies are developed effectively and implemented efficiently.

One example of the role of institutions in shaping policy outcomes is the endemic issues of terrorism in Pakistan. The US government has expressed its commitment to working with Pakistan to address this issue. It is because effective cooperation between institutions in both countries is necessary for success (Ahmad, 2015).

Furthermore, institutions have a significant impact on policy outcomes. They can shape policies by influencing the incentives and constraints that policymakers face when making decisions. For example, in Pakistan, institutional reforms like establishing anti-corruption bodies and increasing transparency in government procurement processes can help reduce corruption and improve the effectiveness of policies (Sirajul, 2015). Also, they can play an important role in determining the economic growth of a country. In developing countries, institutional reforms such as improving access to finance, strengthening property rights, and reducing red tape can help create an environment conducive to economic growth. Reforms such as introducing a new tax system and improving access to finance have helped spur economic growth in Pakistan (Husain, 2013). Finally, institutions can also affect the effectiveness of development aid. In recent years, USAID and Treasury have implemented several initiatives aimed at improving the monitoring and evaluation of development aid programs in developing countries in general and Pakistan (Mubashar & Salman, 2020). These initiatives have helped ensure that development aid is used effectively and efficiently to achieve desired outcomes.

Impediments in the Way of Effective Policymaking Process

Policy making is a complex process that involves multiple stakeholders, including government officials, civil society organizations, and the public. In Pakistan, policy making follows a fairly well-functioning democratic process. This process typically involves identifying a problem or issue, designing a program to address it, formulating the policy, implementing it, and assessing its effectiveness. However, there are several challenges and issues associated with policy making in Pakistan. These
include limited resources for implementation of policies, lack of coordination between different government departments, inadequate capacity of civil society organizations to engage in policy-making processes, and political interference in decision-making processes (Jabeen et al., 2016). Additionally, there is often a lack of evidence-based decision making when it comes to policy formulation. This can lead to policies that are not based on sound evidence or research and may not be effective in addressing the underlying problems they are intended to solve.

In addition to that, political instability and polarization are other significant challenges that can hinder effective policymaking processes in Pakistan. Political instability refers to the frequent changes in government and policies due to factors such as corruption, weak governance structures, and limited resources (Shahab, 2019). This can result in a lack of continuity in policymaking processes, which can make it difficult for policymakers to implement long-term solutions to problems. Polarization, on the other side, refers to the division of society into opposing groups with different political views. In Pakistan, political polarization is often driven by factors such as ethnicity, religion, and regionalism. This can make it difficult for policymakers to reach consensus on important issues and can lead to gridlock in the policymaking process. Both political instability and polarization may have several adverse impacts on society. They can lead to a lack of trust in government institutions, which can undermine public confidence in the effectiveness of policies (Farooqi, 2016). Besides, social unrest and violence can also be caused, which can further destabilize the political system (Sirajul, 2015). Thus, to address these challenges, policymakers must focus on strengthening democratic institutions through reforms aimed at improving transparency, accountability, and capacity-building. Particularly, emphasis must be put on establishing anti-corruption bodies and increasing transparency in government procurement processes.

Limited resources for implementation of policies is another significant challenge in Pakistan that can hinder effective policymaking processes. Policymakers often face resource constraints that limit their ability to implement policies effectively. This can lead to poor implementation of policies due to a lack of capacity or resources (Jabeen et al., 2016). To address this challenge, focus should be veered towards increasing resources for the implementation of policies. This includes measures such as increasing government spending on key sectors such as health, education, and infrastructure. Additionally, policymakers must work towards improving the efficiency of resource allocation by promoting transparency and accountability in government spending (Khan, 2018).

Another apparent challenge in policy making is the Inadequate level of capacity from civil society organisations. These organisations often lack the capacity to effectively engage in policymaking processes due to a lack of resources, expertise, and leadership. Thus, with a view to doing away with this issue, policymakers must focus on increasing resources for civil society organizations. This includes measures such as providing financial support for civil society organisations and investing in training programs for their staff (Mubashar & Salman, 2020). Also, policymakers should be encouraged to work towards improving the legal and regulatory environment for civil society organisations to ensure they are able to operate effectively.
Conclusion

With the above comprehensive analysis and discussion, this paper has exhaustively presented an analysis on how to undertake policy analysis, including why this is significant to improve institutions’ capacity in ensuring that their policy decisions directly benefit the general populace. This approach is still in its fledgling stage, but what is clear is that the whole policy process is essential if one is to both understand the impacts of policies on livelihoods and, perhaps more importantly, influence future policy outcomes with a view to enhancing their positive impacts. Establishing any policy is indeed challenging, especially in an economically unstable country like Pakistan. To conclude, it can be deduced that achieving change will not come from pious statements on poverty or livelihoods that are seen as external (and often not clearly understood or impractical) agendas. A policy analysis that can help policymakers, citizens and other stakeholders in understanding how and where policy can be influenced is the key for moving from baseless rhetoric to reality. One can still be sanguine that, if institutions are amply empowered and have a public mandate, effective policy making process and outcomes can be ensured. For this, it is critical to ensure that policies are developed with the participation of all relevant stakeholders. The policymaking process should be transparent, and feedback should be considered when developing policies. Lastly, political will is an important component in policy implementation success. Policymakers must show an undying commitment to the policies they develop and provide the resources required for implementation.
References