

**SCHOOL OF SOCIAL SCIENCES**

**DEPARTMENT OF SOCIAL AND DEVELOPMENT STUDIES**

**BED3132/BED4129: DEVELOPMENT POLICY AND PLANNING**

**BED3132: DEVELOPMENT POLICY AND PLANNING**

**CONTACT HOURS:** 42

**Pre-requisites: *None***

**Learning objectives**

To equip students with knowledge and understanding of public planning, policy development, implementation and evaluation. It also aims at giving the student the overview of the nature, scope and focus of development planning to Third World countries.

**Expected learning outcomes**

**By the end of the course, the student should be able to:**

1. Explain the concept of public policy and planning.
2. Describe the role of public policy in development
3. Explain the roles of varied stakeholders in public planning and policy administration
4. Analyze the strategic management process and carry out external and internal analysis of development organizations
5. Understand the nature, scope and focus of development planning.
6. Describe the various components of Development planning.
7. Comprehend the myriad of problems of planning and the new challenges for planning in developing countries.

**COURSE OUTLINE**

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| **WEEK** | **TOPIC** | **SUB TOPIC** | **CREDIT HOURS** |
| Week 1 | Introduction to development planning and policy | Introduction to key terms and concepts: Public policy, Decision Making, Development planning, Planning objectives, Long term versus Short term planning | 3 |
| Week 2 | Evolution of public policy | Historical development  Evolution of public policy in Africa and the World | 3 |
| Week 3 | Strategic Planning | Meaning of Strategic Planning Objectives of Strategic Planning Success Criteria to apply Strategic Planning Applying “SMART” Strategic Planning skills and using outcome based tools, Strategic, Operational and tactical plans using Balanced Scorecard (BSC), | 3 |
| Week 4 | Strategic Planning | Result Based Management ( RBM), Management by Objectives (MBO), Elements of a Strategic Plan; Themes, Strategy, enablers and challenges, Mission, vision, and organizational values, Business Strategy model, Stakeholders engagement | 3 |
| Week 5 | Nature and styles of Planning | Corporate planning and functional planning, Proactive and reactive planning, Formal and informal planning | 3 |
| Week 6 | Planning models | Generic strategic planning model, Strategic planning model, Practical planning model, Rational planning Model | 3 |
| Week 7 | Planning models | Production planning Model, Kooros' Model for Optimizing Economic Development | 3 |
| Week 8 | Policy making | Roles of public policy in development, Government decision making process, Approaches of policy formulation, Policy making models | 3 |
| Week 9 | Policy implementation | Process of policy implementation, Approaches/ methods used in policy implementation, Factors influencing policy formulation and implementation | 3 |
| Week 10 | Policy administration | Definition of key concepts, Challenges of policy administration in Africa | 3 |
| Week 11 | Development plans and policy evaluation | Approaches/Models to policy analysis and evaluation  Evaluation of public policy | 3 |
| Week 12 | Case study: Development planning | Case study of a Private organization and non-government development plan | 3 |
| Week 13 and 14 | Case study: Development planning | Case study of government development plans: Poverty Reduction Strategy Paper (PRSP) and Kenya’s Vision 2030 | 3 |

**Teaching / Learning Methodologies**

**Instructional Materials and Equipment:** Projector, Text books, Design catalogues, Computer laboratory, Design software, Simulators, etc.

**Course Assessment**

**CAT 1 (Sit in CAT plus Assignments/lab practical) Week 5 = 15%**

**CAT 2 (Sit in CAT plus Assignments/lab practical) Week 9 = 15%**

**Examination week 15 & 16 for degree &masters = 70%**

**Total =100%**

**Pass mark: 40%**

**Teaching methodologies:** Lectures, Group discussion presentation, Tutorials

**Recommended Text Books**

### [William K. Bellinger](http://www.routledge.com/books/search/author/william_k_bellinger/)**(**2007) [The Economic Analysis of Public Policy](http://www.routledge.com/books/details/9780415772785/) Routledge.

1. [Gerald J. Miller](http://www.routledge.com/books/search/author/gerald_j_miller/) **(**2006) [Handbook of Public Policy Analysis](http://www.routledge.com/books/details/9781574445619/) *Theory, Politics, and Methods***,** CRC Press.
2. [Ron Scollon](http://www.routledge.com/books/search/author/ron_scollon/) **(**2007) [Analyzing Public Discourse](http://www.routledge.com/books/details/9780415770941/) *Analysis in the Making of Public Policy* Routledge
3. King W. R. and Cledand, D. J (1998), *Strategic Planning and Policy*, Van- Norstand Reinhard Publichers, New York
4. Gordon G. L (1998), *Strategic Planning for Local Government; Practical Management* Series, ICMA
5. Porter, Michael E. (1985).[*Competitive Advantage*](https://en.wikipedia.org/wiki/Competitive_Advantage)*. Free Press.*[*ISBN*](https://en.wikipedia.org/wiki/International_Standard_Book_Number)[*0-684-84146-0*](https://en.wikipedia.org/wiki/Special:BookSources/0-684-84146-0)*.*

**TOPIC 1: INTRODUCTION TO DEVELOPMENT PLANNING AND POLICY**

* 1. **Introduction to Key Terms and Concepts**
     1. **Policy**

A **Policy** can be considered as a "Statement of Intent" or a "Commitment". For that reason at least, the decision-makers can be held accountable for their "Policy".

A **policy** is typically described as a principle or rule to guide decisions and achieve rational outcomes. The term is not normally used to denote what is actually done; this is normally referred to as either procedure or protocol.

Policies are generally adopted by the Board of or senior governance body within an organization whereas procedures or protocols would be developed and adopted by senior executive officers.

Policies can assist in both **subjective** and **objective** decision making.

Policies to assist in subjective decision making would usually assist senior management with decisions that must consider the relative merits of a number of factors before making decisions and as a result are often hard to objectively test e.g. work-life balance policy.

In contrast policies to assist in objective decision making are usually operational in nature and can be objectively tested e.g. password policy.

The term may apply to government, private sector organizations and groups, and individuals. Presidential executive orders, corporate privacy policies, and parliamentary rules of order are all examples of policy.

Policy differs from rules or law. While law can compel or prohibit behaviours (e.g. a law requiring the payment of taxes on income), policy merely guides actions toward those that are most likely to achieve a desired outcome.

Policy or policy study may also refer to the process of making important organizational decisions, including the identification of different alternatives such as programs or spending priorities, and choosing among them on the basis of the impact they will have.

Policies can be understood as political, management, financial, and administrative mechanisms arranged to reach explicit goals.

* + 1. **Public Policy**

There are numerous definitions of public Policy:-

“Whatever governments choose to do or not to do.” (Dye, 1972)

“A proposed course of action of a person, group or government within a given environment providing obstacles and opportunities which the policy was proposed to utilize and overcome in an effort to reach a goal or realize and objective or purpose.” (Frederich, 1963)

“A broad guide to present and future decisions, selected in light of given conditions from a number of alternatives; the actual decision or set of decisions designed to carry out the chosen course of actions; a projected program consisting of desired objectives (goals) and the means of achieving them.” (Daneke and Steiss, 1978).

“Commitment to a course or plan of action agreed to by a group of people with the power to carry it out.” (Dodd et al., p.2)

“A plan of action agreed to by a group of people with the power to carry it out and enforce it.” *(Capacity Building, p.1)*

Public Policy has been defined differently by various authors in the policy field, but the underlying idea is that it is a purposive course of action or inaction followed by some actors, notably public authorities, such as governmental bodies and officials, in dealing with a problem or cluster of problems of public or general interest. Public Policy making is therefore the sole responsibility of public authorities - elected or appointed.

For a policy to be regarded as a ―public policy it must to some degree have been generated or at least processed within the framework of governmental procedures, influences and organizations. Since the early 1980s when African countries began to slide into economic crisis from which most of them are still to recover, it has become common knowledge that the causes of this economic malaise lie in the bad or inappropriate public policies. It has also been recognized that there is an urgent need to improve what has been broadly described as the ―policy environment on the continent: The aim has been to overcome perceived shortcomings in the policy formulation and implementation with a view to making policies more ―effective from a managerial and delivery point of view (Olukoshi, 2000; ECA, 2003).

Public policy is an attempt by a government to address a public issue by instituting laws, regulations, decisions, or actions pertinent to the problem at hand. Numerous issues can be addressed by public policy including crime, education, foreign policy, health, and social welfare. While public policies are most common in the United States, several other countries, such as those in the United Kingdom, implement them as well. The process to create a new public policy typically follows three steps: agenda-setting, option-formulation, and implementation; the time- line for a new policy to be put in place can range from weeks to several years, depending on the situation. Public policies can also be made by leaders of religious and cultural institutions for the benefit of the congregation and participants, and the term can also refer to a type of academic study that covers topics such as sociology, economics, and policy analysis.

**Public policy** is the action taken by government to address a particular public issue. Local, state, federal, and international government organizations all craft and implement public policy to protect and benefit their populations.

“Public policy is the broad framework of ideas and values within which decisions are taken and action, or inaction is pursued by governments in relation to some issue or problems”. (Brooks 1989, P16)

Policies are established ways of doing things. You have ways of doing things and so do businesses and government. The policies that individuals and businesses adopt are private

**Policies**. Even so, these policies may affect the community. A fast food restaurant, for example, may have a policy of serving drinks in Styrofoam containers, which can harm the environment.

**Public policies** are those that governments adopt to address problems. For example, every state government has adopted the public policy of banning the sale of alcohol to minors. This public policy addresses the problem of teenage alcohol abuse. It is expressed in the body of laws, regulations, decisions, and actions of government.

Many policies are translated into law by government action. For example, to control drunk- driving deaths, a state may pass tougher drunk-driving laws. Or to improve the environment, the federal government may pass an air-quality law. Or to raise money for public amenities, a city may enact a tax increase.

When public policies go into effect, they can deeply impact people’s lives. People can gain or lose significant things, such as jobs, services, and equal treatment. Changes in economic policies can affect whole countries or regions. Changes in education policies can affect whole generations.

Policy can be driven by political leaders, departments, inter-sectorial bureaucratic committees, a very powerful stakeholder such as an industrial lobby group, or by the community. In any society, governmental entities enact laws, make policies, and allocate resources. This is true at all levels. Public policy can be generally defined as a system of laws, regulatory measures, courses of action, and funding priorities concerning a given topic promulgated by a governmental entity or its representatives.

Individuals and groups often attempt to shape public policy through education, advocacy, or mobilization of interest groups. Shaping public policy is obviously different in Western-style democracies than in other forms of government. But it is reasonable to assume that the process always involves efforts by competing interest groups to influence policy makers in their favor.

A major aspect of public policy is law. In a general sense, the law includes specific legislation and more broadly defined provisions of constitutional or international law. There are many ways that the law can influence how survivors of violence against women are treated and the types of services they receive. Likewise, legislation identifies areas in which research grants can be funded and often determines the amount of funding allocated. Thus, it is not surprising that public policy debates occur over proposed legislation and funding.

In this context, advocacy can be defined as attempting to influence public policy through education, lobbying, or political pressure. Advocacy groups often attempt to educate the general public as well as public policy makers about the nature of problems, what legislation is needed to address problems, and the funding required providing services or conducting research. Although advocacy is viewed as unseemly by some in the professional and research community, it is clear that public policy priorities are influenced by advocacy. Sound research data can be used to educate the public as well as policy makers, thereby improving the public policy process.

* + 1. **Decision Making**

When new public policies are created, there are generally three key things involved in the process: the problem, the player, and the policy. The *problem* is the issue that needs to be addressed, the *player* is the individual or group that is influential in forming a plan to address the problem in question, and the *policy* is the finalized course of action decided upon by the government. Typically the general public will make the government aware of an issue through writing letters and emails, or making phone calls, to local government leaders; the issue is then brought forward during government meetings and the process for creating new public policies begins.

The rational model for the public policy-making process can typically be divided into three steps: agenda-setting, option-formulation, and implementation. Within the agenda-setting stage, the agencies and government officials meet to discuss the problem at hand. In the second stage, option-formulation, alternative solutions are considered and final decisions are made regarding the best policy. Consequently, the decided policy is implemented during the final stage; in most cases, once public policies are in place, they are widely open to interpretation by non- governmental players, including those in the private sector. Implied within this model is the fact that the needs of the society are a priority for the players involved in the policy-making process; also, it is believed that the government will follow through on all decisions made by the final policy.

Unfortunately, those who frame the issue to be addressed by policy often exert an enormous amount of influence over the entire process through their personalities, personal interests, political affiliations, and so on. The bias is extenuated by the players involved. The final outcome of the process, as well as its implementation, is therefore not as effective as that which could result from a purely rational process. Overall, however, public policy continues to be a vital tool in addressing social concerns

* + 1. **Development**

**Defined:** Development is about change in social, political and economic structures and with relations between countries as well as within countries. Thus development can be defined as planned positive change meant to improve people’s lives and enable them to meet their needs and aspirations as individuals, groups and societies. We can assume that in general the development process will lead to the greater material and spiritual welfare of the society concerned and of the individual living in that society, and the eradication of poverty. We can assume that development efforts will lead to a better organized national economy and government. Eventually development efforts must change the inequality of the world order.

Development has also been defined as a process involving community participation in critically identifying and analyzing their needs and problems, setting goals and making their own decisions on sustainable use of available resources to improve their quality of life. This implies that it is a struggle against oppression and all that make life less human. It is a process of building new communities and alternative structures, which empower the poor and enable all people to become subjects of their own destiny. It involves a movement from unequal relationships to the democratization of all aspects of life and true self-reliance (Korten, 1995). In essence, development is about people and the way they live and every society/community must initiate its own development process and the government should mainly facilitate the process through good/democratic policies.

However despite its universal desirability, the very process of development has been elusive to many people and nations, especially in Africa mainly because its meaning has not been precisely grasped by them. According to Drukar (2000) to be conscious of development is to be conceptually and practically aware of the elements both physical and social that constitutes it, as well as those that hinder its realization. This consciousness also implies awareness of the goals or objectives for which development is sought.

Development is inevitably a normative concept almost a synonym for improvement. In view of Robert Chambers (1983), development is good or positive change encompassing improvements in educational standards, health care, GNP and per capita income. For Chambers therefore, development is a vision of a desirable society, something to aim at. In his view, development entails deliberate efforts to achieve higher levels in terms of set objectives. Any process of growth that does not lead to their fulfillment, (or disrupts them), is a contradiction of the idea of development. According to Chambers, development may be conceptualized as;

1. A vision, description or measure of the state of being of a desirable society. As a vision of a desirable society, development may therefore form an aim towards which to direct efforts at improvement. As a ‘vision,’ development could also entail amelioration of poverty, improving the health of populations, mitigating environmental degradation, promoting democratization via measurable indicators such as GNP and Per Capita Income. According to Armatya Sen, development is a vision restoring or enhancing basic human capabilities in terms of participation and empowerment. This enables the poor to hopefully be able to agents of their own development. These accords with what David Korten (1995) calls democratizing development.
2. A historical process of social change in which societies are transformed over long periods of time. According to WW Rostow (1969) the end result of the processes of social change is the emergence of the modern industrial society.

c) As consisting of deliberate efforts aimed at improvement on the part of various agencies of development including the governments, all kinds of organizations and social movements. Development then comprises all the visible works of development agencies to reduce poverty, improve health, education, gender equality and environmental protection. In this way development is what development agencies do.

This analysis shows that development is a progressive refinement in the conceptualization and realization of human needs. This involves:

(i) The awareness of the human needs and the possibilities of discovering more or better human needs

(ii) The awareness of the means to realize the needs and the possibilities of discovering better means of realizing them.

(iii) The awareness of the obstacles to the realization of the needs.

(iv) The actual realization of human needs

In this way development may be understood as effective and efficient realization of human needs and continuous improvement on the quality and quantity as well as the means to satisfy them (Nyarwath, 2006: 52-65). From the foregoing, it seems that development should be perceived as a multi-dimensional process of change involving the re-organization and reorientation of the entire economic and social systems. In addition to improvements in incomes and output, it typically involves radical changes in institutional, social and administration structures as well as the popular attitudes, customs and believes (Todaro, 2000).

Development can also be defined in terms of **human rights or entitlements**. This is based on fact that human beings are rational and live life based on rationality as moral agents. This aspect creates and recognizes that human beings have interests not merely functions which admits of human rights.

The nature of human rights is such that some are fundamental in the sense that they enable the very existence of human life while others are secondary in the sense that they assist in the advancement or enrichment of human life. A human right provides a justified demand. Therefore people have legitimate ground for grievance when their rights are denied. In this regard, basic rights are rational demands for enjoyment of adequate basic needs such as human security adequate food, water, clothing unpolluted air, medical care and knowledge.

In these regard, human development can be defined a the process of enlarging perhaps choices and capabilities to pursue improved health, knowledge skills and the use people make of their acquired capabilities for leisure, productive purposes or being active in cultural social and political affairs. If these issues are not achieved considerable human frustration may result.

According to this approach, development can only be said to be occurring to the extent that society is investing in people to enhance their capabilities so as to contribute to economic growth. Human development emphasizes the importance of putting people their needs, their aspiration, their choices at the centre of development.

**Development in this way becomes the sustained elevation of an entire society and the social system, towards a better and more ‘humane’ life.** According to Todaro, (2000) the components of this good life include values such as life-sustenance; self-esteem and freedom, representing common goals sought by all individuals and societies. They relate to fundamental human needs which find their expression in almost all societies and cultures at all times.

**Life-sustenance**. Life-sustenance is the ability to provide basic human needs without which life would be impossible. These life sustaining needs include indisputably food, shelter, health care and protection from harm. A basic function of development is to provide as many people as possible with the means of overcoming the helplessness and misery arising from lack of basic needs.

**Self-Esteem**. A good life also presupposes a sense of worth and self-respect, of not being used as a tool by others for their own ends. All peoples and societies seek some form of self-esteem, although they may call it authenticity, identity, dignity, respect, honor or recognition. The nature and form of this self-esteem may vary from society to society and from one culture to another. Today, national prosperity has become an almost universal measure of worth. This is because of the significance attached to material values in developed nations where, high value and esteem are increasingly conferred only on those countries that possess economic wealth and technological power. Poverty then confers feelings of disdain and worthlessness. Consequently, once the prevailing image of the better life includes material welfare as one of the essential ingredients, it becomes difficult for those who are materially ‘underdeveloped’ to feel respected or esteemed. Thus, third world countries seek development in order to gain the esteem which is denied to societies living in a state of disgraceful ‘poverty’ or ‘underdevelopment’. Development is thus seen as an indispensable way of gaining esteem.

**Freedom.** Freedom from servitude means emancipation from alienating material conditions of life (which create) servitudes of nature, to social systems, other men, institutions and dogmatic beliefs. Freedom involves expanding the range of choices for societies and their members, together with the minimization of external constraints in pursuit of that limit the pursuit of life goals such as happiness. Amartya Sen (2000) has proposed that we should regard development as freedom. Development he suggests involves the removal of the major sources of unfreedom -tyranny, poor economic prospects, social deprivations, inefficient public facilities etc. Odera Oruka sees freedom in terms of satisfaction of human needs. In other words development as freedom involves having ability and opportunity, in equality with other members of one’s society, to obtain or satisfy one needs, or having one’s needs obtained despite the fact that one may lack ability and opportunity to obtain them by oneself (Oruka, 1996: 61-62). Having ability and opportunity to obtain one’s needs has to be understood as implying having the knowledge of the needs and means to fulfill them.

* + 1. **Development Planning**

‘Development planning’ is broadly defined as the planning of any organized endeavor that aims at promoting development. It encompasses a wide range of thrusts in economic, social and institutional fields at various societal levels, from the local to the international, and usually emphasizes relations between societal spheres and units. It addresses values, objectives, resources, organizational ability and a range of variables in the environment of the development organization and its pursuit.

**1.1.5.1 What Is Planning And Why Do We Plan For Development?**

Since time immemorial, human beings have concerned themselves with events that affect them. At an individual and personal level, these events are sometimes experienced intensely as social and economic problems. In most cases these places are not confined to individuals, but are manifestations of far more extensive problems that are caused by our inability to exercise control over our social, economic, political and physical environments. Development is an on ``ongoing process of change’’ and is directed at human beings (Dale 2004:1).the strong desire for “development” that is especially characteristic of this century is symptomatic of people’s need to order their social and physical environments:

Development should be defined and specialized in relation to groups of people. Development is for the people and its content in particular situations must be clarified in relation to people-related problems and these problems should be addressed and removed through some planned action, (Dale 2004: 1&2)

The question is whether planning and therefore conscious human action can really succeed in eliminating all the uncertainties. Mayer (1985:24 &25) points out one of the problems of development planning.

One of the most frequently voiced criticisms of the feasibility of planning lies in the difficulty of predicting the future because of the uncertainties which surround it. Since planning involves the projection of a course of action over a future period of time, the wisdom of that project rests in part on one’s ability to anticipate correctly the course of events, whether they are physical is social that come to pass.

The uncertainties of development or change to which Mayer refers stem from one or both of the following:

* The phenomena in which planning are concerned are very complex and people cannot be expected to understand all the events and other interaction fully.
* The phenomena in question are not static but dynamic; consequently, the qualities of a phenomenon that we can fully understand and on the grounds of which we can risk predictions might change so drastically that our predictions become completely inaccurate or meaningless.

Kothari (2002:1) gives a concise summary of the paradox in which development is faced, Kothari states that development is a paradox, as development is described by very practical concerns; however it is “bedeviled by contested theories”. Development in areas where there is economic growth while poverty continues to deepen in many parts of the Third World.

In a similar vein, Bryant and White (1982:229) comment:”…planning is a paradox: the more you need it, the less you are able to do it.”

Another problem in Development planning is that there are inevitably hidden or unintended consequences. There are events for which no provision was made during planning. They are often ironic and negative. Consider, for example, the effect of oil crisis of the early 1970s. Because countries like Nigeria and Libya earned far more than other countries for their oil exports, they were in a position to spend far more on socioeconomic and military projects. More recently, the new economic and political situation regarding neo-liberal globalization has led to a new set of approaches to planning in a turbulent world. Approach such as innovation, limited regulations and entrepreneurship should be addressed from various perspectives. And these perspectives should be balanced (for example in terms of sustainability) and priorities should be set while considering the importance of the strategies on development.

However, it is important not to overestimate what development planning can do. In essence, it does no more than give us the opportunity to play an active role instead of being passive observers of events that affect us. Mayer offers a realistic view of the task of development planning. He points out that “the appropriate criterion by which to judge the utility of planning is not its ability to control future events but its ability to *impact* on them” (Mayer 1985:25).

Mayer’s view concurs with that of Dale, who refers to development planning as “ a planning process that deals with long term planning in allocation of the organization’s or spatial area’s resources to meet and achieve set goals and objectives” (2004:15). Thus, development planning is to explore which problems should be emphasized and what action is required for a plan to be successful. This means to make the necessary decisions before an action is taken and to keep the future in mind when making decisions (Du Mhango 1998:1).

**1.1.5.2 Planning as a choice**

Now that we have seen why planning is necessary, we have to take a closer look at what this concept means. Waterston (1965:26) sees planning as an organized, purposeful and persistent attempt to choose between the best available alternatives in order to achieve certain goals. Du Mhango (1998:1) emphasizes the process when he says that planning can be seen as “a process that leads to the establishment of goals and objectives and the choosing of the most suitable means for achieving these goals and objectives prior to taking action”. The fact that these definitions are so broad is what has made it withstand the test of time and what makes it so useful.

Planning can be undertaken with a variety of objectives in mind. Plans have to be prepared for all types of enterprises: from putting a man on the moon to planning the management of a company, city, region or nation. This conscious activity that comprises observation, prediction, selection, implementation and evaluation is found in all spheres of human existence. An individual can, for example, plan the size of a family and a group can plan a project for a community, region or country. At one end of the spectrum, we can identify private planning by means of which individual try to regulate their private lives; at the other end, we find public planning, which is carried out by or on a behalf or a group of people or a community as a whole. In this study guide we concentrate on the planning of matters in the public domain, keeping people’s best interests in mind and emphasizing the future.

**1.1.5.3 Planning and the socio-political context**

A second broad definition of planning is that of Friedman (1987:38) which focuses on science and technology: “planning attempts to link scientific and technical knowledge to actions in the public domain.” Dale (2004:9) says that “scientifically, good planning is well accommodated within social science paradigms of basically inductive analysis”. Analysts of development and planning should embrace alternative perspectives of science and use them in planning practices (Dale 2004:9). Friedman makes his definition more concrete by linking it directly to a task that has to be carried out in a given context. He says that planning should place scientific and technical knowledge at the disposal of certain actors in the public domain, just who these actors are, and how they will apply the knowledge that is made available to them, will depend on the social relationships that is found in the sociopolitical context of development planning.

We can identify two types of social relationships in this context. The first type is found where direction is being given to social processes: “planning attempts to link scientific and technical knowledge to processes of societal guidance” (Friedman 1987:38). The second type is bound up with the reshaping of the society: “planning attempts to link scientific and technical knowledge to processes of social transformation” (Friedman 1987:38).

In South Africa land restitution refers to land reform measures that are intended to correct injustices of the past by compensating people who have lost their land because of redistribution is intended to transfer land to those who were previously disadvantaged (such as poorer people, especially women).

Public planning is, for most part, associated with guiding or directing societies, and is generally undertaken by the state. What is involved here is systematic change within a social order either through the allocation of scarce resources (allocative planning) or through the introduction of institutional changes (innovative planning). Let us take South Africa and the all-important issues of land redistribution and land use, we have an example of allocative planning; if the purpose is to set up a new institution, such as the Land Claims Court that was set up in 1995, we have an example of innovative planning.

These two types of planning can, but do not necessarily, result in far-reaching changes. The actors who use scientific and technical knowledge apparently maintain a politically neutral position; yet, if one analyses allocative or innovative planning, it becomes clear that their agenda is in fact to consolidate and regenerate the existing power relationship in a society (Friedman 1987:54.There are, therefore, planning processes that have social transformation as their goal and can be regarded as radical. Here, the focus is on political practices that are aimed at reshaping existing power relationships in civil society (Friedman 1987:38 7 55). The radical type of planning is linked with action-oriented civil movements such as the landless and feminist projects or alternative energy initiatives (Friedman 1987:34)

Clearly, what we have here are two polarities: on the one hand, planning is geared to improve what exists and in the other hand, its purpose is to bring the normative (what ought to be) into being. These two divergent planning goals are present, to a greater or lesser extent, in all countries since the socio-political context is both a given and the same time dynamic. The actors who are involved in these two types of practice are inevitably in conflict with one another. Friedman (1987: 38 & 39) describes this conflict as one “between the interest of a bureaucratic state and the interest of the political community”. The extent, intensity and duration of this conflict will depend on, for example, the rigidity of national policy and the responsiveness of the policy makers and the national authority structures. Popular will and the strength of opposition groups will also play a role.

Development planning includes both the process of policy making and the content of policy. Before a country can plan for development, there must be a broad national development policy. This type of policy is usually formulated at the highest level of government and spells out decisions about the general rate of change or development. A policy document of this kind clearly specifies the roles of the government objectives (Schoeman & Moodie 1982).

The decisions that are embodied in the policy are usually value-laden and politically colored, and provide the frame work within which development planners carry out their tasks. This is commonly known as policy formulation and forms part of the broad decision-making function of the central political institution. Development planning, from a government point of view, is therefore the process whereby the most appropriate action for realizing overall policy objectives is decided on.

Bear in mind, however, that development planning is not undertaken solely by government organizations, agencies or departments. Nongovernmental organizations (both local and international) and private voluntary organizations are playing an increasingly important part in development at various levels of society.

Planning for development therefore does not necessarily fall within the framework of formulated government policy. Organizations that operate outside government structures often place a strong emphasis on development projects programmes that question and try to correct the structural inequalities that exist in a country. Although most Third World countries boast that their broad development policies whether sociologist or capitalist are aimed at promoting mass participation and ensuring equal rights, in practice their policies are not always successful. Many nongovernmental organizations consequently make use of counter-government initiatives in order to achieve certain development goals.

The more conventional sources on development planning frequently regard the formulation of clearly defined national policies and objectives as the first logical step in development planning.

However, for the purposes of this study guide, the formulation of national development policy is taken as a given and is regarded as a task that falls outside the framework of development planning. We can regard it as the context in which planning takes place (that is, planning either in support of or in opposition to official government policy).

You should bear in mind that development planning depends to a large extent on the political environment in which it takes place. Development planners have to be conversant with the political system in which they function and they have to know how political leaders come into power, whether the country has a one-party or a multiparty system, to what extent government functions are decentralized, and what prevailing political ideology is. These factors have a direct bearing on both the method of planning and the substance of development plans.

The nature of development objectives also depend on the political, Social and economic values of the country concerned and on the political opportunism of its leaders. Development goals can either be economic (such as increase in the per capita income of the population), political (such as increased military security or the enhancement of a country's international prestige and influence), or social (such as the provision of more housing and better educational and health facilities) development goals in most of the less developed countries are a combination of all three, for example economic growth will stimulate urbanization, which in turn will necessitate planning for more housing and better health and educational facilities.

Given the complex nature of the development process, the variety of ideological beliefs and the many different approaches to development, we can conclude with Conyers and Hills (1984:37) that " each country must define its particular development goals and the broad path it intends to follow to achieve these goals and this must provide the policy framework within which all development planning takes place". Development is about people; people are the most important role players in their own development (David’s, Theron & Maphunye 2005:31). Planning focuses clearly on the quality of life of people (Dale 2004:7). Thus, those who are involved in planning should look at the problems that have to be emphasized and what action has to be taken, and they have to choose the most suitable means to achieve their goals and objectives.

**1.1.5.4 Planning and implementation**

According to Abdallah (1977:7), Third World countries have fared very badly over the last or two decades in their intensive attempts to develop. The levels of poverty, exclusion and inequality in the Third World have increased (Kothari & Minogue 2002:7). These authors believe that the entire development planning crisis can be ascribed to confusion over the concepts of planning and implementation. They assert the planning in itself is meaningless, since everything depends on how it is put into practice. This statement is confirmed by authors such as Waterston and Tinbergen. The implementation of planning is therefore an extremely important component of the development planning process.

One of the myths about development planning is that formulating a plan and implementing it are two separate processes. Hoyle (1972:45) suggests that this myth has arisen from planner’s experience that whereas plan formulation is a clear-cut and rational exercise, implementation is often not a rational process because it is subject to the effects of political events and beset by unforeseen administrative problems.

According to Venter (1970:101), the formulation of a plan cannot be separated from its implementation because these two functions together constitute the planning process. Both the preparation and the implementation of plans necessitate the use of variety of methods and the harnessing of various human skills. When planning and implementation are not seen as a single entity, planning is often based on misleading and incomplete data, with result that it became unrealistic and does not provide a starting point for implementation.

According to Du Mhango (1998:3 & 4), it is important to keep in mind that

The implementation of a plan varies largely from spatial area to spatial area where several factors need to be taken into consideration including the nature and complexity of the development programme itself, the size of the spatial area, the area’s stage of development and its economic and political systems, socio-cultural background and the level of sophistication of its institutions with respect to socio-economic development fields.

In many countries the unrealistic view still prevails that planning consists only of formulating and accepting a development plan. Since plans do not implement themselves, the design of a plan is merely the starting point of the process and not an end in itself. Green (1974:1) supports this view when he urges planning implies that the plan is going to be carried out and that “a plan is successful only if it is successfully implemented”.

* + 1. **Planning Objectives**

## 1.1.6.1 Time-Related

One type of objective includes a time factor. These objectives are short-term, medium-term or long-term, ranging from one month to several years. Planning that includes short-term objectives specifies what immediate results are expected from actions currently in progress. These objectives focus on day-to-day activities. Medium-term objectives are results that influence the annual budgets, reports and strategies. They deal with monthly action plans. Long-term objectives look at results the company needs to meet its overall goals. They focus on results from yearly reviews. Planning specifies time-related objectives as an overall framework for plan implementation.

## 1.1.6.2 Routine

Some objectives don't have a specific time frame but deal with expected results from routine, continuous activities. Normal production levels translate into routine objectives. Monitoring safety to prevent the accident rate from rising involves routine objectives. Such objectives typically remain at a constant rate. Management monitors routine objectives for deviations from the norm and to institute corrective action if necessary. Planning specifies routine objectives and assumes the company will meet them as it has in the past.

## 1.1.6.3 Development

While time-related objectives deal with normal activities within a time frame and routine objectives deal with regular activities, development objectives result from new initiatives. External change imposed on a business or internal changes motivated by new goals result in planning for new development. Such plans specify new activities and estimate the results. These desired results translate into objectives at the various organizational levels. Since the activities are new, the objectives may not be realistic and managers have to be ready to make adjustments to this type of objective.

* + 1. **Long Term versus Short Term Planning**

## 1.1.7.1 Planning Characteristics

Many organizations develop strategic planning within a short-term, medium-term and long-term framework. Short-term usually involves processes that show results within a year. Companies aim medium-term plans at results that take several years to achieve. Long-term plans include the overall goals of the company set four or five years in the future and usually are based on reaching the medium-term targets. Planning in this way helps you complete short-term tasks while keeping longer-term goals in mind.

## 1.1.7.2 Short-Term

Short-term planning looks at the characteristics of the company in the present and develops strategies for improving them. Examples are the skills of the employees and their attitudes. The condition of production equipment or product quality problems are also short-term concerns. To address these issues, you put in place short-term solutions to address problems. Employee training courses, equipment servicing and quality fixes are short-term solutions. These solutions set the stage for addressing problems more comprehensively in the longer term.

## 1.1.7.3 Medium-Term

Medium-term planning applies more permanent solutions to short-term problems. If training courses for employees solved problems in the short term, companies schedule training programs for the medium term. If there are quality issues, the medium-term response is to revise and strengthen the company's quality control program. Where a short-term response to equipment failure is to repair the machine, a medium-term solution is to arrange for a service contract. Medium-term planning implements policies and procedures to ensure that short-term problems don't recur.

## 1.1.7.4 Long-Term

In the long term, companies want to solve problems permanently and to reach their overall targets. Long-term planning reacts to the

major capital expenditures such as purchasing equipment and facilities, and implements policies and procedures that shape the company's profile to match top management's ideas. When short-term and medium-term planning is successful, long-term planning builds on those achievements to preserve accomplishments and ensure continued progress.

***Revision Questions***

1) Why is necessary to plan for development.

2) Define the concept of development planning

3) Discuss the new challenges for planning

4) What are the most important challenges for development planning in the immediate future?

5) Discuss the importance that the context of the country concerned has on development planning

**TOPIC 2: EVOLUTION OF PUBLIC POLICY**

**2.1 Historical Development**

Harold Lasswell’s (1951) first articulated the policy sciences concept, the benchmark of their field of inquiry was relevance to the political and social worlds. Responding directly to the questions posed by Robert Lynd’s (1939) Knowledge for What? and John Dewey’s relentless pressing of pragmatism (de Leon and Vogen beck 2006), both its salient theories and real-world applications were at the center of the policy sciences. It was, in many ways, seen by the academic and the administrator as the ultimate culmination of the town and gown orientation.

Policy issues can be divided into two categories: those already on the public policy agenda, and those that are not. If an issue is already on the public-policy agenda, it has a sufficiently high profile, and a formal process is likely to be in place. If an issue is not on the public-policy agenda, the job of the stakeholders/community is to provide information and education, and to take other steps to raise awareness and get it on the agenda.

Gerston (1997) suggests that an issue will appear and remain on the public policy agenda when it meets one or more of three criteria. It must have sufficient *scope* (a significant number of people or communities are affected), *intensity* (the magnitude of the impact is high) and/or *time* (it has been an issue over a long period.)

The need or trigger for public policy development may come from a number of sources. It is helpful to think of a policy response to these sources as being either reactive, preactive or proactive. Policy development is *reactive* when it responds to issues and factors that emerge, sometimes with little warning, from the internal or external environments by:

 resolving problems and issues

 meeting stakeholder/public concerns

 reacting to decisions by other governments, other levels of government, or other departments with intersecting or interrelated mandates

 allocating fiscal resources, natural resources, etc.

 reacting to media attention (generally adverse)

 reacting to crises or emergencies

Policy development is *preactive* when it responds to triggers that are recognized because we are scanning the operating environment, identifying potential issues and factors that could affect us, and predicting and preparing for mitigation and/or contingency through:

 Planning

 Strategic choice

 Risk management

 Criteria determination

 Priority setting

 Establishing partnership

It is very rare that formal policy development is genuinely *proactive*.

**2.3 Evolution of Public Policy in Africa and in the World**

**NOTES COMING SOON**

**TOPIC 3: STRATEGIC PLANNING**

**3.1 Meaning of Strategic Planning**

A Strategic plan is a set of statements describing the purpose and ethical conduct for an organization together with the specific strategies designed to achieve the targets set for each of these. Strategic planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful.

**3.2 Goals and Objectives of Strategic Planning**

**3.2.1 Strategic Goals**

Goals and Objectives are important to strategic planning because they turn Mission and Vision into specific measurable targets. Goals and objectives are concrete and help translate the Mission and Vision into reality.

Goals are the end towards which a programme or problem solution is directed. They are outcome statements to guide implementation of the strategy (i.e. the tactics of what is planned to be done). While goals tend to be broad and ambitious, the also must be cleat and realistic in order to clarify the Organization’s direction and gain support of other stakeholders.

Goals are also known as Long term objectives.Theyare performance goals of an organization, intended to be achieved over a period of five years or more. Long term objectives usually include specific improvements in the organization’s competitive position technology leadership, profitability, and return on investment, turn on employee relations, productivity, and corporate management. Long-term objectives are results that an organization seeks over a multiyear period. Common categories for business long-term objectives include profitability, employee development, productivity, technology development, employee relations, competitive position and public and social responsibility. A long-term objective should be acceptable to key stakeholders, it should be flexible and appropriate for the planning horizon, it should be measurable and achievable, and if it is achievable it should be challenging enough to be motivating, and it should be suitable to the current position of the organization and suitable in the context of the organization's mission. Finally, a well-stated and meaningful long-term objective should be understandable to all organization stakeholders.

**3.2.2 Strategic Objectives**

Objectives are more detailed than goals and explain how goals will be accomplished. They detail the activities that must be completed to achieve the goals.

Objectives are also known as Short term objectives.They are smaller intermediate milestones to achieve when moving toward an important goal. Many business operators will set a short term objective for their staff in order to assist them in moving gradually toward the company’s longer term goals. Short-term objectives help businesses meet goals/long-term objectives, making them an important element of any business decision. For example, suppose a company’s long-term goal is to double its customer base. To do so, it creates a plan that involves a series of short-term objectives. The company then moves from one short-term objective to the next, knowing that each completed objective brings it closer to its overall goal.

**3.2.3 Setting Goals and Objectives**

When setting strategic goals, it is important to create ones that range from the comfortable to the challenging. A challenging goal is often referred to as a “stretch goal” and is designed to inspire a “reach beyond” where we normally would expect to achieve. The significance of setting a stretch goal is that it provides focus and generates energy.

Where strategic planning committee identifies more than five goals, there is need for prioritizing and ranking. Ranking allows you to postpone or ignore the lowest ranked goals and address the most important ones first. As few goals as possible should be carried through the rest of the strategic planning and process while capturing the essence of the mission. Transparency in setting priorities is important. Every strategic planning participant must have an equal vote in setting priorities. For example, in community related projects or programmes, it is important to carefully plan the composition of the committee so that it accurately reflects the community. If the strategic planning committee fails to include an important part of the community, their voice will not be heard in setting goals and priorities.

Setting objectives is much easier when goals are properly set, since objectives are detailed plans of how the goals will be accomplished. Objectives details the activities that must be completed to achieve the goal.

For example, if the goals is “To successfully reintegrate offenders back into the society by severing ties with gangs”, the objectives might be:

* Develop anti-gang campaigns
* Reduce offender’s ties with gang by 50% in the first year.

Objectives provide specific directions and approaches. They are measurable and realistic. The mnemonic [S.M.A.R.T.](https://en.wikipedia.org/wiki/SMART_criteria) is associated with the process of setting objectives. "SMART" objectives are:

* Specific
* Measurable
* Agreed/Achievable/Attainable
* Realistic/Responsible/Receivable
* Time-bound

**3.3 Strategic Planning Skills and Using Outcome Based Tools**

**3.2.1 Strategic Outcome-Based Metrics**

Outcomes are the end results that follow from a preceding set of events and activities. Based on this definition, an organization’s outcome are the impact of an organization’s products and services on its customers and stakeholders.

Most organizations rely heavily on performance metrics at the operational level and fail to measure strategic outcomes. For instance, the mission and vision of an organization is translated into operational plans and discrete activities and resources, performance targets are assigned to these activities and execution chain transforms inputs into output. Output and activity metrics are usually inwardly focused to assess the effectiveness or efficiency of activities and programmes in an organization. Accountability at this level is assigned to the execution of effective management of resources to achieve the objective. However, these metrics fail to ascertain if the final product has met the needs of the intended end user, its cost effectiveness, or the consequences it has to the other stakeholders or the environment.

There is need to design a metric that provide a feedback loop to evaluate whether strategic goals – and mission – are achieved effectively. Strategic outcome based metrics provide us with a way of measuring effectiveness and determining success from the point of view of the customers and stakeholders. Demonstrating effectiveness helps organizations defend their budgets and justify the risk factors impacting the success of initiatives and how they can be mitigated.

**3.3.2 Importance of Strategic Outcome-Based Metrics**

Why is it important to measure outcomes as well as outputs of activities?

One reason is the assignment of accountability for results and the assessment of their impact in their environment. A second reason is to verify alignment with customer and stakeholder needs and the mission objectives of the organization. The third reason is that outcome metrics can be used to balance competing objectives that may require tradeoffs in performance.

**3.4 Operational and Tactical Plans using Balanced Scorecard (BSC)**

**3.4.1 Operational Planning**

An operational business strategy seeks to deal with all of the minutiae that encompass the organization's day-to-day routine, such as filing invoices, scheduling employee shifts and dealing with customer complaints. Operational strategy sees resources as a means to an end of effectively managing the business. In the small business setting, operational strategy is attractive because it allows the organization to see one employee as a resource for many different functions. Operational strategy also helps an organization to identify its weaknesses in functional areas.

Operational planning is the process of planning [strategic goals](https://en.wikipedia.org/wiki/Strategic_planning) and objectives to tactical goals and objectives. It describes milestones, conditions for success and explains how, or what portion of, a strategic plan will be put into operation during a given operational period, in the case of commercial application, a fiscal year or another given budgetary term. An operational plan is the basis for, and justification of an annual operating budget request. Therefore, a five-year strategic plan would typically require five operational plans funded by five operating budgets.

Operational plans should establish the activities and budgets for each part of the organization for the next 1 – 3 years. They link the strategic plan with the activities the organization will deliver and the resources required to deliver them.

An operational plan draws directly from agency and program strategic plans to describe agency and program missions and goals, program objectives, and program activities. Like a strategic plan, an operational plan addresses four questions:

* Where are we now?
* Where do we want to be?
* How do we get there?
* How do we measure our progress?

The operations plan is both the first and the last step in preparing an operating budget request. As the first step, the operations plan provides a plan for resource allocation; as the last step, the OP may be modified to reflect policy decisions or financial changes made during the budget development process.

Operational plans should be prepared by the people who will be involved in implementation. There is often a need for significant cross-departmental dialogue as plans created by one part of the organization inevitably have implications for other parts.

Operational plans should contain:

* clear objectives
* activities to be delivered
* quality standards
* desired outcomes
* staffing and resource requirements
* implementation timetables
* a process for monitoring progress

**3.4.2 Tactical Planning**

**Tactical plans** are plans that support strategic plans by translating them into specific plans relevant to a distinct area of the organization. Tactical plans are concerned with the responsibility and functionality of lower-level departments to fulfill their parts of the strategic plan.

Tactical planning takes a company's strategic plan and sets forth specific short-term actions and plans, usually by company department or function. The tactical planning horizon is shorter than the strategic plan horizon. If the strategic plan is for five years, tactical plans might be for a period of one to three years, or even less, depending on what kind of market the business serves and the pace of change.

**3.4.3 Balanced Scorecards**

A balanced Scorecard is a performance metrics used in strategic management to identify and improve various internal functions and their resulting outcomes. It is used to measure and provide feedback to organizations. Data collected is crucial to providing quantitative results, as the information gathered is interpreted by strategic managers and used to make decisions for the organization.

The increase in available data sources and increasingly sophisticated analytics gives rise to data-driven businesses. Yet businesses often recognize that intangible factors play a role in their success that is crucial but difficult to define. Balanced scorecards originally provided a way to articulate and measure these intangibles. Since its introduction, the balanced scorecard has evolved into a full-fledged strategic management tool. Balanced scorecards typically take the form of either a template with targets and progress or a strategy map.

The balanced scorecard provides organizations a means for articulating and clarifying strategic objectives while providing concrete steps that help align organizational activity with those objectives. According to Bain & Company, the current incarnation of the balanced scorecard addresses five major performance categories: financial, process, employee, customer value and innovation. This approach helps businesses identify performance weaknesses that require more attention or additional oversight. For example, middling employee performance because of low job satisfaction can undercut innovation. Unhappy employees are unlikely to spend time thinking about how to improve the company and less likely to share their insights. The balance scorecard enables managers introduce new processes that help organizations make the important link between organization’s long-term strategies with its short term objectives.

* The first process is that of translating the vision which helps managers build consensus concerning an organizations’ strategy and express it in terms that can guide action at the operational level.
* The second process is communication and linking, which calls for communicating a strategy at all levels of the organization and linking it with unit and individual objectives.
* The third process is business planning which enables the organization to integrate their business plans with financial plans.
* The fourth process is the feedback and learning which gives the organization the capacity for strategic learning, which consists of gathering feedback, testing hypotheses on which a strategy is based and making necessary adjustment.

**3.5 Result Based Management (RBM)**

This is the approach to Projects/program management based on clearly defined results, and the methodologies and tools to measure and achieve them. RBM supports better performance and greater accountability by applying a clear, logical framework plan, to manage and measure an intervention with a focus on the results you want to achieve. By identifying in advance the intended results of a project/program and how we can measure their progress, we can better manage a project/program and determine whether a difference has genuinely been made for the people concerned.

**3.6 Management by Objectives (MBO)**

**Management by objectives** (**MBO**), also known as **management by results** (**MBR**), was first popularized by [Peter Drucker](https://en.wikipedia.org/wiki/Peter_Drucker) in his 1954 book The Practice of Management. Management by objectives is the process of defining specific objectives within an organization that [management](https://en.wikipedia.org/wiki/Manager_(disambiguation)) can convey to organization members, then deciding on how to achieve each objective in sequence. This process allows managers to take work that needs to be done one step at a time to allow for a calm, yet productive work environment. This process also helps organization members to see their accomplishments as they achieve each objective, which reinforces a positive work environment and a sense of achievement.

An important part of MBO is the measurement and comparison of an [employee](https://en.wikipedia.org/wiki/Employee)'s actual [performance](https://en.wikipedia.org/wiki/Performance_management) with the standards set. Ideally, when employees themselves have been involved with the [goal-setting](https://en.wikipedia.org/wiki/Goal-setting) and choosing the course of action to be followed by them, they are more likely to fulfill their responsibilities.

According to [George S. Odiorne](https://en.wikipedia.org/w/index.php?title=George_S._Odiorne&action=edit&redlink=1), the system of management by objectives can be describedas a process whereby the superior and subordinate jointly identify common [goals](https://en.wikipedia.org/wiki/Goal), define each individual's major areas of responsibility in terms of the results expected of him or her, and use these measures as guides for operating the unit and assessing the contribution of each of its members.

The principle of MBO is for employees to have a clear understanding of their roles and the responsibilities expected of them, so they can understand how their activities relate to the achievement of the organization's goals. MBO also places importance on fulfilling the personal goals of each employee.

Proponents argue that benefits of MBO include:

1. [Motivation](https://en.wikipedia.org/wiki/Motivation) – Involving employees in the whole process of goal setting and increasing employee [empowerment](https://en.wikipedia.org/wiki/Empowerment). This increases employee [job satisfaction](https://en.wikipedia.org/wiki/Job_satisfaction) and commitment.
2. Better communication and coordination – Frequent [reviews](https://en.wikipedia.org/wiki/Performance_appraisal) and interactions between superiors and subordinates help to maintain harmonious relationships within the organization and also to solve problems.
3. Clarity of goals.
4. Subordinates tend to have a higher commitment to objectives they set for themselves than those imposed on them by another person.
5. Managers can ensure that objectives of the subordinates are linked to the organization's objectives.
6. Common goal for whole organization means it is a unifying, directive principle of management.

**3.7 Elements of a Strategic Plan**

A well-documented strategic plan is critically important for organizing thinking and communicating thoughts. Strategic plans include elements that describe an organization’s present state, aspirations, and intentions for the future, and approach for going forward. The elements of a Strategic plan include:

**I. Vision statement**. A vision statement is an aspirational statement of where you want your unit to be in the future. “Future” is usually defined as the next three to five years, but it could be more. A vision should set the overall direction for the unit and team and should be bold and inspirational. A vision describes the “what” and the “why” for everything you do.

**A vision statement** is an aspiration description of what an organization would like to achieve or accomplish in the mid-term or long term-future. It is intended to serve as a clear guide for choosing current and future courses of action. A good vision identifies the direction and purpose of the business; it builds loyalty through involvement and sets standards of excellence that reflect high ideals and a sense of integrity. Such a statement is persuasive and credible, inspires enthusiasm and encourages commitment and is well articulated and easily understood. It is always ambitious and calls for a shared commitment, challenges and inspires people to align their energies in a common direction and fits with the business' unique culture and values. It also sets results in efficiency and productivity and reflects the company's unique strengths. A strong vision for a business can create energy and drive needed to push and pull teams and organizations forward. A strong and effectively communicated vision will be infectious, stimulating, and attractive to others and it will motivate them to achieve business goals and aspirations. People rally around leaders with a compelling vision and a clear sense of purpose.

Here is an example vision statement from Zappos: “One day, 30 percent of all retail transactions in the US will be online. People will buy from the company with the best service and the best selection. Zappos.com will be that online store. Our hope is that our focus on service will allow us to wow our customers, our employees, our vendors, and our investors. We want Zappos.com to be known as a service company that happens to sell shoes, handbags, and anything and everything.”

**2. Mission statement:** While a vision describes where you want to be in the future, [a mission statement](https://www.thebalance.com/how-to-write-a-mission-statement-2948001) describes what you do today. It often describes what you do, for who, and how. Focusing on your mission each day should enable you to reach your vision. A mission statement could broaden your choices, and/or narrow them.

**A mission statement** defines what an organization is, why it exists, and its reason for being. At a minimum, your mission statement should define who your primary customers are, identify the products and services you produce, and describe the geographical location in which you operate. The mission statement reflects every facet of your business: the range and nature of the products you offer, pricing, quality, service, marketplace position, growth potential, use of technology, and your relationships with your customers, employees, suppliers, competitors and the community. This statement should state what the organization should do, how they do it, whom they do it for, and what value the business is bringing.

Here is an example of a mission statement from Harley-Davidson: “**We fulfill dreams through the experience of motorcycling, by providing motorcyclists and the general public with an expanding line of motorcycles and branded products and services in selected market segments.”**

A vision and mission can also be combined in the same statement. Here is an example from Walt Disney Company: **“The mission of The Walt Disney Company is to be one of the world's leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services and consumer products, we seek to develop the most creative, innovative, and profitable entertainment experiences and related products in the world.”**

Note that the statement is both aspirational (“to be one of the…”) and descriptive of what they do and how they do it.

**3. Organizational Values.**

Organization [Core values](https://www.thebalance.com/core-values-are-what-you-believe-1918079) describe your beliefs and behaviors.

They are the things that you believe in that will enable you to achieve your vision and mission.

Here is an example of core values from the Coca-Cola Company:

* Leadership: The courage to shape a better future
* Collaboration: Leverage collective genius
* Integrity: Be real
* Accountability: If it is to be, it's up to me
* Passion: Committed in heart and mind
* Diversity: As inclusive as our brands
* Quality: What we do, we do well

**4. Strategic Themes**

Strategic themes are the main, high-level business strategies that form the basis for the organization’s business model. They are part of the strategic planning work of building a balanced scorecard. Once you have agreed upon the vision for your organization (your picture of the future or desired future state), then we systematically decompose that vision into 3–4 strategic themes. We sometimes refer to themes as “pillars of excellence”. The strategic themes are very broad in scope. They apply to every part of the organization and define what major strategic thrusts the organization will pursue to achieve its vision. Themes affect all four of the balanced scorecard perspectives (financial, customer, internal process, organizational capacity). A strategic theme is an area in which your organization must excel in order to achieve your vision.

Developing strategic themes requires considerations of other strategic elements, such as the challenges, enablers, customer value proposition, and other components of the strategic assessment work. Themes also represent deliberate strategic directional decisions made by the leadership team. Taken together, one can look at the proposed set of strategic themes and ask this question: “If we excel in these 3-4 areas, will we achieve our vision?” and receive a resounding answer of “Yes!” This is similar to an engineer looking at an architectural design and answering this question, “If we put these walls of this thickness in these locations, will the building stand solid?”

**5. Strategy**

A strategy is a derived approach to achieving the mission, goals and objectives of an organization. It supports the organization vision, takes into account organizational enablers and barriers, and upholds its guiding principles. Examples of strategies include:

1) Communication Strategy – the development of a communication strategy is essential for the effective development and implementation of a strategic plan.  In the communications  strategy, you should determine who will be involved in the planning process, how they will  be involved and what is being communicated to whom on the staff. 2) Implementation Strategy – once the plan has been outlined, a tactical strategy is built  that prioritizes initiatives and aligns resources. The implementation strategy pulls all the  plan pieces together to ensure collectively there are no missing pieces and that the plan  is feasible. As a part of the implementation strategy, accountability measures are put in  place to ensure implementation takes place.

**6. Enablers and Challengers**

Enablers are external conditions or organizational strengths that facilitate an organization’s ability to accomplish its goals or objectives while barriers are external conditions or organizational (internal) weaknesses that hinder an organization’s ability to accomplish a goal or objective.

**7. Business Strategy Model**

Business strategy is an organization’s working plan for achieving its vision, prioritizing objectives, competing successfully, and optimizing financial performance with its business model. It is an organization’s high level plan for reaching specific objectives. Strategies succeed when they lead to organization growth, a strong financial performance.

The formulation of a business strategy model starts with techniques for providing relevant supporting material to an executive team responsible for setting the strategy. A common technique used is the strength, weaknesses, opportunities and threats (SWOT) analysis. The model analysis the internal and external enablers as strengths and opportunities and internal and external barriers as weaknesses and threats. Analysis enables an organization to plan strategically.

**SWOT Analysis**

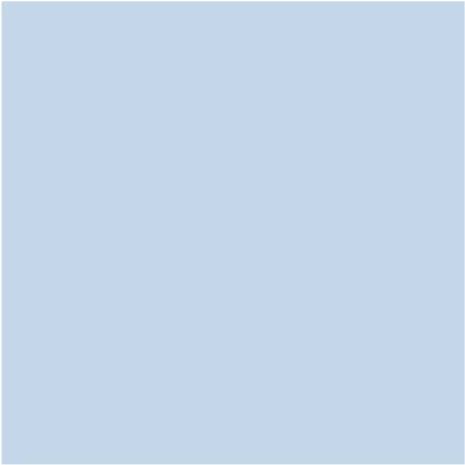
**SWOT Analysis**

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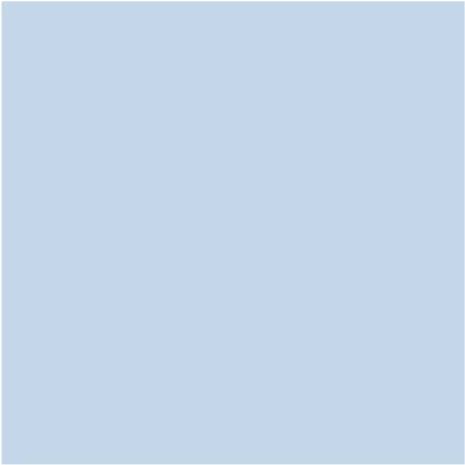
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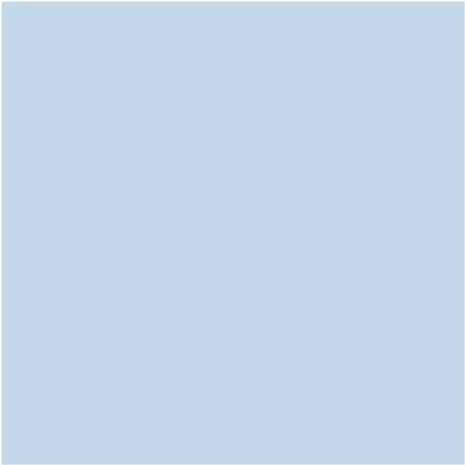
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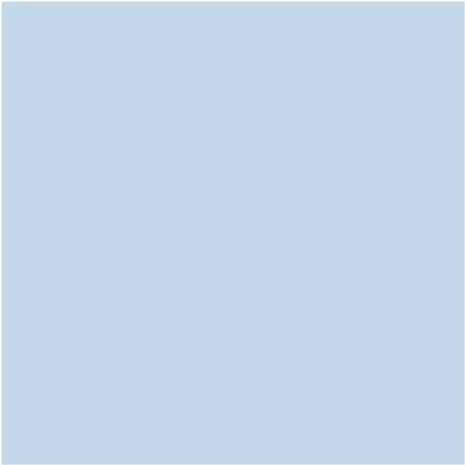
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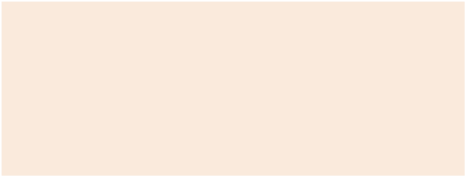
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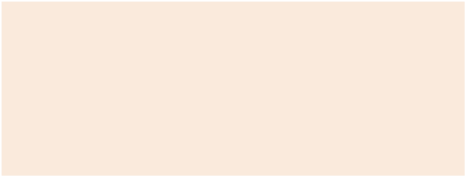
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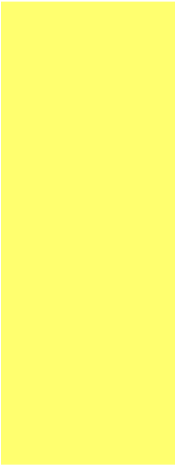
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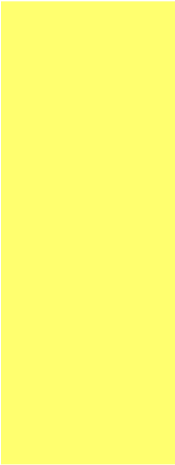
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Source: Adopted from Humphrey, Albert; SRI International

**8. Stakeholders’ Engagement**

Stakeholder engagement is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions. They may support or oppose the decisions, be influential in the organization or within the community in which it operates, hold relevant official positions or be affected in the long term.

[Stakeholder](https://en.wikipedia.org/wiki/Stakeholder_(corporate)) engagement is a key part of [corporate social responsibility](https://en.wikipedia.org/wiki/Corporate_social_responsibility) (CSR) and achieving the [triple bottom line](https://en.wikipedia.org/wiki/Triple_bottom_line). Companies engage their stakeholders in dialogue to find out what social and environmental issues matter most to them about their performance in order to improve decision-making and accountability. Engaging stakeholders is a requirement of the [Global Reporting Initiative](https://en.wikipedia.org/wiki/Global_Reporting_Initiative), a network-based organization with sustainability reporting framework that is widely used around the world.

Involving stakeholders in decision-making processes is a tool used by mature private and public sector organizations, especially when they want to develop understanding and agree to solutions on complex issues or issues of concern.

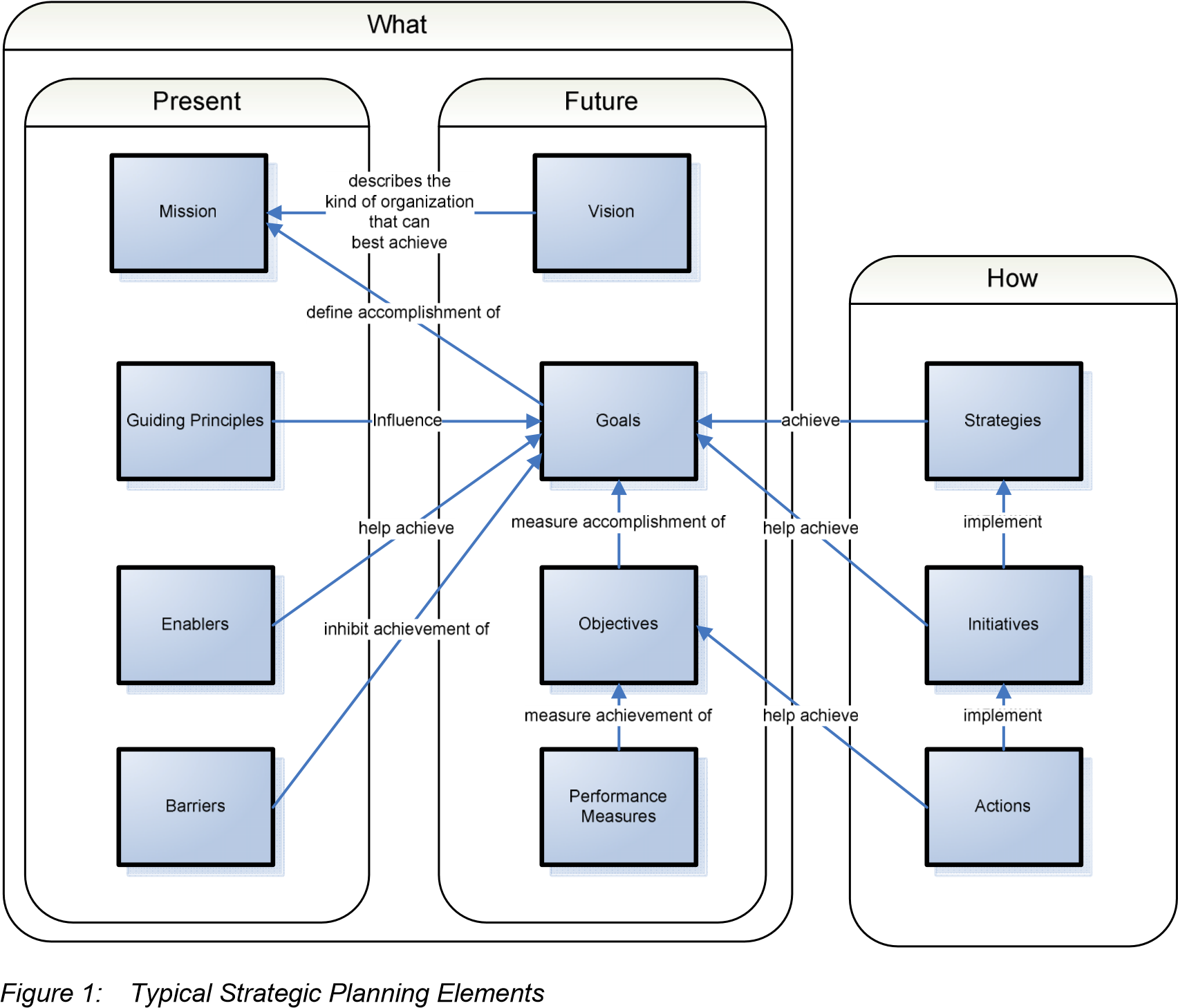
An underlying principle of stakeholder engagement is that stakeholders have the chance to influence the decision-making process. This differentiates stakeholder engagement from communications processes that seek to issue a message or influence groups to agree with a decision that is already made.

Jeffrey (2009) in "Stakeholder Engagement: A Road map to meaningful engagement" describes seven core values for the practices of gaining meaningful participation of which perhaps the three most critical are:

* Stakeholders should have a say in decisions about actions that could affect their lives or essential environment for life.
* Stakeholder participation includes the promise that stakeholders’ contribution will influence the decision
* Stakeholder participation seeks input from participants in designing how they participate.[[2]](https://en.wikipedia.org/wiki/Stakeholder_engagement#cite_note-Road_Map-2)

The practitioners in stakeholder engagement are often [businesses](https://en.wikipedia.org/wiki/Businesses), [non-governmental organizations](https://en.wikipedia.org/wiki/Non-governmental_organization) (NGOs), [labor organizations](https://en.wikipedia.org/wiki/Labor_organizations), trade and industry organizations, governments, and [financial institutions](https://en.wikipedia.org/wiki/Financial_institution).

**Strategic Planning Elements**



**TOPIC 4: NATURE AND STYLES OF PLANNING**

**4.1 Corporate Planning and Functional Planning**

4.1.1Corporate Planning

Corporate planning is a systematic approach to clarifying corporate objectives, strategic decision making and checking progress towards objectives. A corporate plan is a set of instructions to managers of an organization describing what role each department is expected to fulfil in the achievement of organization’s objectives (Gubbin, 2003)

Corporate plans are essentially business plans that seek to make improvements and generate profits by making internal operations more effective and productive. Many corporate plans have specific action steps that must be taken to achieve certain objectives. These steps are clearly defined in the corporate plan and can be used as markers to check on a periodic basis to determine whether or not sufficient progress is being made.

Ideally, corporate plans help companies grow during a period of time, typically a year, by expanding their consumer base, improving marketing campaigns and attracting new business partners. Corporate plans are generally structured by first introducing a grand overall vision of growth and development, then laying out a plan of action on a microscopic level to meet the end goal.

Corporate plans can be created and used by businesses of all sizes, but are most commonly used by large organizations. Corporate plans typically consist of a vision statement, mission statement, identifying available resources and then listing business objectives and strategies to be used to meet those objectives.

**4.1.2 Functional Planning**

Functional business strategy is an area of operational management based on a specific department or discipline within an organization, such as human resources, finance or marketing. To say that a business has a functional level strategy for product development, for instance, means that the company has developed a strategy for selling its goods and services to customers. Functional business strategy is part of an organization's wider strategic plan.

Functional business strategy enables a company to deal with the nuts and bolts of its long-term organizational plan and short-term goals and objectives. While businesses of all sizes are interested in making a profit, smaller companies sometimes find it easier to define plans and goals in a more meaningful way because there are less levels of hierarchy. Functional business strategy helps smaller businesses to evaluate the effects of plans and goals specific to the industry they operate within. Technology companies, for example, might adapt a functional strategy for HR which seeks to hire well-qualified employees with diverse skills in social media, programming and website design. Such an approach looks at the specific needs of the function -- IT, HR, marketing, research and development -- and then sets objectives to fill gaps in those functions.

## 4.1.2.1Advantages

Functional business strategy is often used by small businesses to focus on and manage the business's constituent parts. By developing individual goals and objectives for specific functions in the company, business owners and managers can assign the right people and resources to the right tasks. An employee with skills in technology, for example, can be given work in that field as opposed to one with which she isn't familiar. The advantages of functional business strategy therefore rely on seeing employees and resources as ends, not as a means to achieving something else. This often means assessing the strengths and weaknesses of the business's functions and of its resources, including employees.

## 4.1.2.2 Challenges

While functional business strategy is very useful in helping an organization to value its resources, there are some disadvantages to functional strategy. For small businesses, these downsides are even more pronounced. It is often not possible in a small business to have separate departments for HR, finance, marketing and other business functions. Sometimes all of these tasks are assumed by one person or by a small group of people. This makes functional business strategy quite hard to implement because developing individual goals for each function won't make sense in an organization where all of the departments are more or less combined. In these cases, strategies must be fluid, adapting to the diverse skill sets and competencies of the resources

**4.2 Proactive Planning and Reactive Planning**

**4.2.1 Proactive Planning**

Proactive planning means taking the initiative to plan in advance, schedule important events and prepare for success. In most situations, proactive planning optimizes business or department efficiency and protects against very costly events.

## Proactive Planning Basics

The first step in proactive planning is to think about the future. Five key elements of a proactive planning process are predict, prevent, plan, participate and perform, according to Eat Your Career, a coaching and consulting company. By anticipating future needs and future threats, a person or business is better equipped to develop a strategy that optimizes performance and prevents problems. A simple example of proactive planning is preparing to fill talent gaps to align with strategic objectives.

## Types of Proactive Planning

Proactive planning is part of several distinct elements of business, including management, maintenance and public relations. A proactive manager who applies the principle of thinking ahead recognizes needs of his organization or department and finds the resources necessary to meet them. Proactive maintenance ensures that equipment remains in working order. By contrast, reactive maintenance occurs only after equipment is broken. Proactive PR planning is an intentional strategy to generate free publicity to promote the positive attributes of a brand.

## Proactive Advantages

Proactive planning has distinct and compelling benefits. A business that plans ahead is able to take greater control of its future as opposed to reacting to the external environment. Such planning may lead to highly profitable investments and activities as well as help avoid costly equipment failures or mistakes. Proactive planning allows a manager to leverage his greatest assets by preparing to use them in the most opportune situations. It also allows a company to optimize its efficiency in primary business activities.

## 4.2.2Reactive Planning

## Reactive business strategies are those that respond to some unanticipated event only after it

## occurs, while proactive strategies are designed to anticipate possible challenges. Because

## no one can anticipate every possibility, no organization can be proactive in every

## situation. Reactive planning is an active attempt to turn back the clock to the past. The past,

## no matter how bad, is preferable to the present. And definitely better than the future will be.

## The past is romanticized and there is a desire to return to the "good old days." These people

## seek to undo the change that has created the present, and they fear the future, which they

## attempt to prevent.

## Reactive Action Motives and Problems

Reactive action typically results when a company fails to plan and must respond to an emergency or crisis. Rather than acting with a prepared strategy, reactive behaviors often consist of efforts to quickly contain an emerging problem. In manufacturing, for example, a lack of planning may cause a company to have to replace a very expensive piece of equipment once it is beyond repair. While a reactive approach avoids a commitment of time to planning, it can lead to very expensive and even more time-consuming crisis management down the road.

**4.3 Formal Planning and Informal Planning**

**4.3 Formal Planning**

**Formal planning is an articulated, written form of planning that states particular objectives and methods.** Informal planning is closer to the reality of day-to-day execution. In business, professionals often engage in planning for such complex tasks as marketing and organization.

Formal planning begins with stating particular business objectives, and devises a strategy for achieving those objectives. A marketing plan, for example, may define the targeted customer base, the advertising budget, and the proposed methods of advertising or research. Formal planning tends to be linear, allowing for little flexibility once the plan is set in motion.

The benefit of formal planning is that objectives and methods are clearly stated, allowing little room for confusion; it dictates uniform procedure on a large number of groups or individuals, which may be why it is more beneficial for large businesses.

Informal planning refers to the processes in which planning does not consist of schedules or written documents where strategy, goal, schedules and budgets are established. Informal planning aca be like unscheduled conversation about the organization plans in meetings which are not planned for that purpose or in causal encounters among organizational members where face to face (in the premises of the organization or outside) or virtual. However, when planning does not result in written documents (about strategy and goals, a budget or a project schedule) and remains in the head of the actor or a set of actors, it is indeed very hard to verify the existence of such a plan, as retrospective rationalization might easily happen (Golden,1992)

The benefit of informal planning, however, is that it allows for innovation and adaptation in response to changing circumstances. Informal planning often occurs under the umbrella of formal planning, when human nature and daily realities begin to change the formal plan. In time, individuals or teams may discover more efficient ways of performing tasks or of meeting a particular objective. In the modern business climate, this kind of innovation and creative problem solving is valuable, and informal planning is more accepted than it once was.

Planning can take a formal or informal approach. No one approach is better or works for every business, although some evidence suggests that informal planning may be better for small businesses.

**TOPIC 5: PLANNING MODELS**

**5.1 Generic Strategic Planning Model**

Michael Porter wrote in 1980 that strategy targets either [cost leadership](https://en.wikipedia.org/wiki/Cost_leadership), [differentiation](https://en.wikipedia.org/wiki/Differentiation_(economics)), or focus. These are known as Porter's three generic strategies and can be applied to any size or form of business or organization. Porter claimed that an organization must only choose one of the three or risk that the business would waste precious resources. Porter's generic strategies detail the interaction between cost minimization strategies, product differentiation strategies, and market focus strategies of porters.

Porter described an industry as having multiple segments that can be targeted by a firm. The breadth of its targeting refers to the competitive scope of the business. Porter defined two types of competitive advantage: lower cost or differentiation relative to its rivals. Achieving competitive advantage results from a firm's ability to cope with the five forces better than its rivals.

Porter wrote: "Achieving competitive advantage requires a firm to make a choice...about the type of competitive advantage it seeks to attain and the scope within which it will attain it." He also wrote: "The two basic types of competitive advantage (differentiation and lower cost) combined with the scope of activities for which a firm seeks to achieve them lead to three generic strategies for achieving above average performance in an industry: cost leadership, differentiation and focus. The focus strategy has two variants, cost focus and differentiation focus." In general:

* If a firm is targeting customers in most or all segments of an industry based on offering the lowest price, it is following a cost leadership strategy;
* If it targets customers in most or all segments based on attributes other than price (e.g., via higher product quality or service) to command a higher price, it is pursuing a differentiation strategy. It is attempting to differentiate itself along these dimensions favorably relative to its competition. It seeks to minimize costs in areas that do not differentiate it, to remain cost competitive; or
* If it is focusing on one or a few segments, it is following a focus strategy. A firm may be attempting to offer a lower cost in that scope (cost focus) or differentiate itself in that scope (differentiation focus).

The concept of choice was a different perspective on strategy, as the 1970s [paradigm](https://en.wikipedia.org/wiki/Paradigm) was the pursuit of market share (size and scale) influenced by the [experience curve](https://en.wikipedia.org/wiki/Experience_curve). Companies that pursued the highest market share position to achieve cost advantages fit under Porter's cost leadership generic strategy, but the concept of choice regarding differentiation and focus represented a new perspective.

Empirical research on the [profit impact of marketing strategy](https://en.wikipedia.org/wiki/Profit_impact_of_marketing_strategy) indicated that firms with a high market share were often quite profitable, but so were many firms with low market share. The least profitable firms were those with moderate market share. This was sometimes referred to as the hole in the middle problem. Porter’s explanation of this is that firms with high market share were successful because they pursued a cost leadership strategy and firms with low market share were successful because they used market segmentation to focus on a small but profitable market niche. Firms in the middle were less profitable because they did not have a viable generic strategy.

Porter suggested combining multiple strategies is successful in only one case. Combining a market segmentation strategy with a product differentiation strategy was seen as an effective way of matching a firm’s [product strategy](https://en.wikipedia.org/wiki/Product_strategy) (supply side) to the characteristics of your target market segments (demand side). But combinations like cost leadership with product differentiation were seen as hard (but not impossible) to implement due to the potential for conflict between cost minimization and the additional cost of value-added differentiation.

Since that time, empirical research has indicated companies pursuing both differentiation and low-cost strategies may be more successful than companies pursuing only one strategy.

Some commentators have made a distinction between cost leadership, that is, low cost strategies, and best cost strategies. They claim that a low cost strategy is rarely able to provide a [sustainable competitive advantage](https://en.wikipedia.org/wiki/Sustainable_competitive_advantage). In most cases firms end up in [price wars](https://en.wikipedia.org/wiki/Price_wars). Instead, they claim a best cost strategy is preferred. This involves providing the best value for a relatively low price.

**5.1.1Cost Leadership Strategy**

This strategy also involves the firm winning market share by appealing to cost-conscious or price-sensitive customers. This is achieved by having the lowest prices in the target market segment, or at least the lowest price to value ratio (price compared to what customers receive). To succeed at offering the lowest price while still achieving profitability and a high return on investment, the firm must be able to operate at a lower cost than its rivals. There are three main ways to achieve this.

The first approach is achieving a high asset utilization. In service industries, this may mean for example a restaurant that turns tables around very quickly, or an airline that turns around flights very fast. In manufacturing, it will involve production of high volumes of output. These approaches mean fixed costs are spread over a larger number of units of the product or service, resulting in a lower unit cost, i.e. the firm hopes to take advantage of [economies of scale](https://en.wikipedia.org/wiki/Economies_of_scale) and [experience curve effects](https://en.wikipedia.org/wiki/Experience_curve_effects). For industrial firms, mass production becomes both a strategy and an end in itself. Higher levels of output both require and result in high market share, and create an entry barrier to potential competitors, who may be unable to achieve the scale necessary to match the firm’s low costs and prices.

The second dimension is achieving low direct and indirect operating costs. This is achieved by offering high volumes of standardized [products](https://en.wikipedia.org/wiki/Product_(business)), offering basic no-frills products and limiting customization and personalization of service. Production costs are kept low by using fewer components, using standard components, and limiting the number of models produced to ensure larger production runs. Overheads are kept low by paying low wages, locating premises in low rent areas, establishing a cost-conscious culture, etc. Maintaining this strategy requires a continuous search for cost reductions in all aspects of the business. This will include outsourcing, controlling production costs, increasing asset capacity utilization, and minimizing other costs including distribution, R&D and advertising. The associated distribution strategy is to obtain the most extensive distribution possible. Promotional strategy often involves trying to make a virtue out of low cost product features.

The third dimension is control over the value chain encompassing all functional groups (finance, supply/procurement, marketing, inventory, information technology etc..) to ensure low costs. For supply/procurement chain this could be achieved by bulk buying to enjoy quantity discounts, squeezing suppliers on price, instituting competitive bidding for contracts, working with vendors to keep inventories low using methods such as Just-in-Time purchasing or Vendor-Managed Inventory. Wal-Mart is famous for squeezing its suppliers to ensure low prices for its goods. Other procurement advantages could come from preferential access to raw materials, or backward integration. Keep in mind that if you are in control of all functional groups this is suitable for cost leadership; if you are only in control of one functional group this is differentiation. For example Dell Computer **initially** achieved market share by keeping inventories low and only building computers to order via applying Differentiation strategies in supply/procurement chain. This will be clarified in other sections.

Cost leadership strategies are only viable for large firms with the opportunity to enjoy economies of scale and large production volumes and big market share. Small businesses can be "cost focused" not "cost leaders" if they enjoy any advantages conducive to low costs. For example, a local restaurant in a low rent location can attract price-sensitive customers if it offers a limited menu, rapid table turnover and employs staff on minimum wage. Innovation of products or processes may also enable a startup or small company to offer a cheaper product or service where incumbents' costs and prices have become too high. An example is the success of low-cost budget airlines who, despite having fewer planes than the major airlines, were able to achieve market share growth by offering cheap, no-frills services at prices much cheaper than those of the larger incumbents. At the beginning low-cost budget airlines chose "cost focused" strategies but later when the market grow, big airlines started to offer the same low-cost attributes, and so cost focus became cost leadership!

A cost leadership strategy may have the disadvantage of lower customer loyalty, as price-sensitive customers will switch once a lower-priced substitute is available. A reputation as a cost leader may also result in a reputation for low quality, which may make it difficult for a firm to rebrand itself or its products if it chooses to shift to a differentiation strategy in future.

**5.1.2 Differentiation Strategy**

Differentiate the products/services in some way in order to compete successfully. Examples of the successful use of a differentiation strategy are Hero, Asian Paints, HUL, Nike athletic shoes (image and brand mark), BMW Group Automobiles, Perstorp BioProducts, Apple Computer (product's design), and Mercedes-Benz automobiles.

A differentiation strategy is appropriate where the target customer segment is not price-sensitive, the market is competitive or saturated, customers have very specific needs which are possibly under-served, and the firm has unique resources and capabilities which enable it to satisfy these needs in ways that are difficult to copy. These could include patents or other Intellectual Property (IP), unique technical expertise (e.g. Apple's design skills or Pixar's animation prowess), talented personnel (e.g. a sports team's star players or a brokerage firm's star traders), or innovative processes. Successful differentiation is displayed when a company accomplishes either a premium price for the product or service, increased revenue per unit, or the consumers' loyalty to purchase the company's product or service (brand loyalty).

Differentiation drives profitability when the added price of the product outweighs the added expense to acquire the product or service but is ineffective when its uniqueness is easily replicated by its competitors. Successful brand management also results in perceived uniqueness even when the physical product is the same as competitors. This way, Chiquita was able to brand bananas, Starbucks could brand coffee, and Nike could brand sneakers. Fashion brands rely heavily on this form of image differentiation.

Differentiation strategy is not suitable for small companies. It is more appropriate for big companies. To apply differentiation with attributes throughout predominant intensity in any one or several of the functional groups (finance, purchase, marketing, inventory etc..) This point is critical. For example GE uses finance function to make a difference. You may do so in isolation of other strategies or in conjunction with focus strategies (requires more initial investment). It provides great advantage to use differentiation strategy (for big companies) in conjunction with focus cost strategies or focus differentiation strategies. Case for Coca Cola and Royal Crown beverages is good sample for this.

**5.1.2.1Variants on the Differentiation Strategy**.

The **shareholder value model** holds that the timing of the use of specialized knowledge can create a differentiation advantage as long as the knowledge remains unique. This model suggests that customers buy products or services from an organization to have access to its unique knowledge. The advantage is static, rather than dynamic, because the purchase is a one-time event.

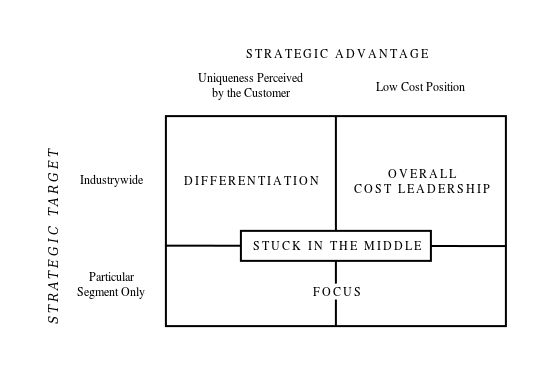
The **unlimited resources model** utilizes a large base of resources that allows an organization to outlast competitors by practicing a differentiation strategy. An organization with greater resources can manage risk and sustain profits more easily than one with fewer resources. This provides a short-term advantage only. If a firm lacks the capacity for continual innovation, it will not sustain its competitive position over time.

**5.1.3 Focus Strategy**

This dimension is not a separate strategy for big companies due to small market conditions. Big companies which chose applying differentiation strategies may also choose to apply in conjunction with focus strategies (either cost or differentiation). On the other hand, this is definitely an appropriate strategy for small companies especially for those wanting to avoid competition with big one.

In adopting a narrow focus, the company ideally focuses on a few [target markets](https://en.wikipedia.org/wiki/Target_market) (also called a segmentation strategy or niche strategy). These should be distinct groups with specialized needs. The choice of offering low prices or differentiated products/services should depend on the needs of the selected segment and the resources and capabilities of the firm. It is hoped that by focusing your marketing efforts on one or two narrow market segments and tailoring your [marketing mix](https://en.wikipedia.org/wiki/Marketing_mix) to these specialized markets, you can better meet the needs of that target market. The firm typically looks to gain a competitive advantage through product innovation and/or brand marketing rather than efficiency. A focused strategy should target market segments that are less vulnerable to substitutes or where a competition is weakest to earn above-average return on investment.

Examples of firm using a focus strategy include Southwest Airlines, which provides short-haul point-to-point flights in contrast to the hub-and-spoke model of mainstream carriers, United, and American Airlines.



Michael Porter’s Generic Strategies Model

**5.2 Strategic Planning Models**

**5.2.1 Model One - Conventional Strategic Planning**

This is the most common model of strategic planning, although it is not suited for every organization. It is ideal for organizations that have sufficient resources to pursue very ambitious visions and goals, have external environments that are relatively stable, and do not have a large number of current issues to address.

The model usually includes the following overall phases:

1. Develop or update the mission and optionally, vision and/or values statements.
2. Take a wide look around the outside and a good look inside the organization, and perhaps update the statements as a result.
3. As a result of this examination, select the multi-year strategies and/or goals to achieve the vision.
4. Then develop action plans that specify who is going to do what and by when to achieve each goal.
5. Identify associated plans, for example, staffing, facilities, marketing and financial plans.
6. Organize items 1-3 into a Strategic Plan and items 4-5 into a separate one-year Operational Plan.

**5.2.2 Model Two - Issues-Based Strategic Planning**

This model works best for organizations that have very limited resources, several current and major issues to address, little success with achieving ambitious goals, and/or very little buy-in to strategic planning.

This model might include the following phases:

1. Identify 5-7 of the most important current issues facing the organization now.
2. Suggest action plans to address each issue over the next 6-12 months.
3. Include that information in a Strategic Plan.

After an issues-based plan has been implemented and the current, major issues are resolved, then the organization might undertake the more ambitious conventional model. Many people might assert that issues-based planning is really internal development planning, rather than strategic planning. Others would argue that the model is very strategic because it positions the organization for much more successful outward-looking and longer term planning later on.

**5.2.3 Model Three - Organic Strategic Planning**

The conventional model is considered by some people to be too confining and linear in nature. They believe that approach to planning too often produces a long sequence of orderly activities to do, as if organizations will remain static and predictable while all of those activities are underway.

Other people believe that organizations are robust and dynamic systems that are always changing, so a plan produced from conventional planning might quickly become obsolete. That is true, especially if planning is meant to achieve a very long-term vision for many people, for example, for a community or even generations of people.

The organic model is based on the premise that the long-term vision is best achieved by everyone working together toward the vision, but with each person regularly doing whatever actions that he or she regularly decides to do toward that vision.

The model might include the following phases:

1. With as many people as can be gathered, for example, from the community or generation, articulate the long-term vision and perhaps values to work toward the vision.
2. Each person leaves that visioning; having selected at least one realistic action that he or she will take toward the vision before the group meets again, for example, in a month or two.
3. People meet regularly to report the actions that they took and what they learned from them. The vision might be further clarified during these meetings.
4. Occasionally, the vision and the lists of accomplished and intended actions are included in a Strategic Plan.

**5.2.4 Model Four - Real-Time Strategic Planning**

Similar to the organic model of planning, this model is suited especially for people who believe that organizations are often changing much too rapidly for long-term, detailed planning to remain relevant. These experts might assert that planning for an organization should be done continuously, or in "real time."

The real-time planning model is best suited, especially to organizations with very rapidly changing environments outside the organization.

1. Articulate the mission, and perhaps the vision and/or values.
2. Assign planners to research the external environment and, as a result, to suggest a list of opportunities and of threats facing the organization.
3. Present the lists to the Board and other members of the organization for strategic thinking and discussions.
4. Soon after (perhaps during the next month) assign planners to evaluate the internal workings of the organization and, as a result, to suggest a list of strengths and of weaknesses in the organization.
5. Present these lists to the Board and other members of the organization for strategic thinking and discussions, perhaps using a SWOT analysis to analyze all four lists.
6. Repeat steps 2-5 regularly, for example, every six months or year and document the results in a Strategic Plan.

**5.2.5 Model Five - Alignment Model of Strategic Planning**

The primary purpose of this model is to ensure strong alignment of the organization’s internal operations with achieving an overall goal, for example, to increase productivity or profitability, or to successfully integrate a new cross-functional system, such as a new computer system.

Overall phases in this model might include:

1. Establish the overall goal for the alignment.
2. Analyze which internal operations are most directly aligned with achieving that goal, and which are not.
3. Establish goals to more effectively align operations to achieving the overall goal. Methods to achieving the goals might include organizational performance management models, for example, Business Process Re-engineering or models of quality management, such as the TQM or ISO models.
4. Include that information in the Strategic Plan. Similar to issues-based planning, many people might assert that the alignment model is really internal development planning, rather than strategic planning. Similarly, others would argue that the model is very strategic because it positions the organization for much more successful outward-looking and longer term planning later on.

**5.2.6 Model Six - Inspirational Model of Strategic Planning**

This model is sometimes used when planners see themselves as having very little time available for planning and/or there is high priority on rather quickly producing a Strategic Plan document.

Overall phases in this model might include:

1. Attempt to gather Board members and key employees together for planning.
2. Begin by fantasizing a highly inspirational vision for the organization -- or by giving extended attention to wording in the mission statement, especially to include powerful and poignant wording.
3. Then brainstorm exciting, far-reaching goals to even more effectively serve customers and clients.
4. Then include the vision and goals the Strategic Plan.

While this model can be highly energizing, it might produce a Plan that is far too unrealistic (especially for an organization that already struggles to find time for planning) and, as a result, can be less likely to make a strategic impact on the organization and those it serves.

Many experts might assert that these planners are confusing the map (the Strategic Plan document) with the journey (the necessary strategic thinking). However, it might be the only approach that would generate some outward focused discussion and also a Plan that, otherwise, would not have been written.

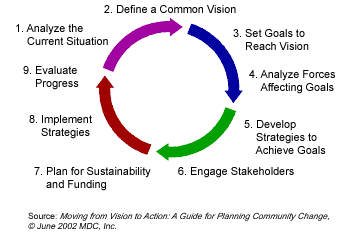
**5.3 Practical Planning Model**

There is no one strategic planning model that fits all communities. Rather, communities typically select an approach and modify it as they go along, developing their own planning process. The following models offer a few alternatives from which a community might begin to develop its own strategic planning process.

**5.3.1Moving from Vision to Action**  
Moving from Vision to Action is a nine-step planning process for community and institutional change. The process is both data-driven and vision-driven. It is designed for a lead group to bring together diverse community representatives and leaders from the public, private, and nonprofit sectors to analyze their community, craft a vision for the future, implement strategies to achieve that vision, and evaluate their progress. This process has been used by a variety of groups, including educators, boards of directors of community-based organizations, and volunteers involved in community-development efforts in rural and urban areas.

Figure 1 depicts the nine-step Vision to Action process.

Figure 1  
**Moving from Vision to Action**



Note that these steps are laid out in this guide in a rational, linear fashion. However, communities and their economies, institutions, and people are dynamic and changing entities. The planning process should be seen as flexible: you should go back and forth between steps as needed. The process should also be seen as cyclical. To bring about change that is long-term, equitable, and sustainable, it is necessary to go through the process, measure the results, and then use those results to determine how the work can be improved and what work remains to be done.

Figure 2 summarizes each of the nine steps, their purpose, and the key questions they answer.

Figure 2

|  |  |  |
| --- | --- | --- |
| **Moving from Vision to Action: A Summary** | | |
| Step | Purpose | Key Questions |
| 1. Analyze the current situation | Understand the current situation and determine assets and challenges to address. | Where are our strengths, weaknesses, opportunities, and threats? What assets should we build on? What challenges must we overcome? |
| 2. Define a common vision | Develop consensus on a vision for the community's future. | At its ideal, what would our community be like? |
| 3. Set goals to reach vision | Define goals that will move the community toward the ideal future. | To bring about our vision, what specific outcomes must we achieve? |
| 4. Analyze forces affecting goals | Determine the forces working for and against the goals. | What forces will affect our efforts to achieve these goals, and how do we address them? |
| 5. Develop strategies to achieve goals | Determine what actions will achieve the goals and what measures will indicate their achievement. | What is the most effective approach to reach those outcomes? What are the measures of success? |
| 6. Engage stakeholders | Ensure that those critical to success are involved. | Have we engaged the people and organizations that need to be involved? |
| 7. Plan for sustainability and funding | Ensure long-term sustainability of the process and strategies. | How will we administer, maintain, and pay for our workshort term and long term? |
| 8. Implement strategies | Develop work plans and define responsibilities and timelines. Implement work plans. | Who will do what, when? How do we ensure accountability to our group and the community? |
| 9. Evaluate progress | Design an approach to measure and evaluate progress. Provide data for return to step 1, analyzing the new current situation. | Are our strategies moving us effectively and efficiently toward our goals? How much progress have we made so far? What else needs to be done? |

Source: Moving from Vision to Action: A Guide for Planning Community Change, © June 2002 MDC, Inc.

MDC, Inc., a private nonprofit focusing on expanding opportunity, reducing poverty, and building inclusive communities, created Moving from Vision to Action to meet the needs of the economically distressed communities with which it works.

This process has since been tested and refined in communities across the United States, from Appalachia to Texas border communities, including 24 sites that participated in the Rural Community College Initiative (RCCI) demonstration funded by the Ford Foundation and designed and managed by MDC.

**5.3.2 Asset-Based Community Development**  
Asset-Based Community Development (ABCD) is a community-capacity-building process developed by John Kretzmann and John McKnight of Northwestern University in Chicago. ABCD embraces an asset orientation to community change and works toward whole community mobilization.

The ABCD emphasis on the assets of people, neighborhoods, and communities is distinctly different from the many community-development strategies that focus on the deficits of communities. Rather than continuing the traditional focus on the needs of individuals and communities, ABCD offers a new mindset that identifies the skills, talents, and capacities of individuals, associations, and organizations, and mobilizes these positive energies to improve communities. ABCD, with its capacity-oriented emphasis, is simply "seeing the glass as half full."

These elements do not presume to add up to a complete blueprint for community development. Rather, they are intended to identify some of the major challenges facing community builders, and to point toward the beginning of a path or process that would mobilize an entire community's assets around a vision and a plan. Such a path would cover the following elements/steps:

1. **Mapping**completely (household by household, block by block) the capacities and assets of individuals, citizens' associations, and local institutions.
2. **Building relationships**among local assets for mutually beneficial problem solving within the community.
3. **Mobilizing**the community's assets fully for economic development and information-sharing purposes.
4. **Convening**as broadly representative a group as possible for the purposes of building a community vision and plan.
5. **Leveraging**activities, investments, and resources from outside the community to support asset-based, locally defined development.

Although Kretzmann and McKnight's original research and work focused on community problem solving in urban neighborhoods, subsequent work has shown how the ABCD approach has been effectively used in rural areas. More information is available at the Asset-Based Community Development Institute Web site. This site offers information about ABCD publications, training opportunities, asset-mapping tools, and a variety of other resources.

**5.4 Rational-Comprehensive Planning Model**

Mayer (1985:9) defines rationality as follows: "Rationality refers to the use of reason as opposed to impulse, prejudice, coercive power, or arbitrary authority in justifying an assertion or course of action." He maintains that it is the principle of rationality that distinguishes planning from all other forms of decision making. Mayer, with reference to Faludi, then gives the following formal definition of rationality: "The positing of criteria with which conclusions regarding a given phenomenon can be judged consistent in such a way that different persons evaluating the same phenomenon might reach similar conclusions" (Mayer 1985:9).

Supporters of rational-comprehensive planning proceed from the premise that the planning agency is omniscient and that it can or should be able to find final and comprehensive answers to any problem. They therefore assume that the planning agency is rational in the sense that "the utility of planning is optimized. This implies that the planning agency identifies all possible courses of action, identifies all desirable and undesirable effects of these, and makes the correct choice of action for the community" (Forss 1985:30 & 31).

In development planning, rationality is applied in the means end relationship of collective action. The degree of nationality is determined by means of the following three criteria:

1. Efficiency

2. Optimality

3. Synthesis

You have not yet encountered the concept "synthesis" in this study guide. In the planning context, "synthesis" refers to the relationship between the objectives that are being pursued (in other words, the integration of objectives to bring them into harmony with one another) and to holism (in other words, greater benefits can be achieved when the objectives are collectively pursued than when they are pursued separately). Holism in particular is an important link between rationalism and comprehensive planning.

Forss (1985:31) summarizes planning as follows: "planning should not be subjected to short- sighted and amateurish problem-solving, but should rest on a holistic investigation of policy alternatives and their consequences, it should rest on sound, rational principles of management." Over the years, rational-comprehensive planning has been criticized from various quarters. In section 1.1 of this study guide we referred implicitly to one of these points of criticism, namely the problems surrounding predictability and the uncertainties in development planning. A second criticism is that rational planning ignores the role of values in decision making. Mayer (1985:24) defends this point and maintains that although this planning process does not help to distinguish

a good policy from a bad one in an ethical sense, rationality in planning helps one to identify the implications of value choices. Rational planning therefore does consider value, but it does not provide a basis for the selection of specific values that can be used in analysis and decision making.

One of the weightiest criticisms against rational-comprehensive planning is that it attempts to list all the possible objectives with all the possible means of achieving them and then tries to weigh up the alternative means of achieving the best solution. This mode of planning is not very practical since no individual or planning agency can hope to identify all the objectives and means. One would probably find all the possibilities overwhelming and would therefore overlook the obvious. Besides being impractical, a process like this can be very expensive. The cost involved in such a comprehensive analysis of a problem can equal or even exceed the value of the benefits that might eventually accrue from the solution. One of the best-known development theorists, Rondinelli, launched a rather scathing attack on rational-comprehensive planning. He ascribes many of today's development problems to flaws that are inherent in this planning mode.

The rational planning model is the process of realizing a problem, establishing and evaluating planning criteria, creating alternatives, implementing alternatives, and monitoring progress of the alternatives. It is used in designing neighborhoods, cities, and regions. The rational planning model is central in the development of modern urban planning and transportation planning. The very similar rational decision-making model, as it is called in organizational behavior, is a process for making logically sound decisions.

This multi-step model aims to be logical and follow the orderly path from problem identification through solution. Rational decision making is a multi-step process for making logically sound decisions that aims to follow the orderly path from problem identification through solution.

1. **Verifying, defining & detailing the problem (problem definition, goal definition, information gathering).**

This step includes recognizing the problem, defining an initial solution, and starting primary analysis. Examples of this are creative devising, creative ideas, inspirations, breakthroughs, and brainstorms. The very first step which is normally overlooked by the top level management is defining the exact problem. Though we think that the problem identification is obvious, many times it is not.

The rational decision making model is a group-based decision making process. If the problem is not identified properly then we may face a problem as each and every member of the group might have a different definition of the problem. Hence, it is very important that the definition of the problem is the same among all group members. Only then is it possible for the group members to find alternate sources or problem solving in an effective manner.

**2. Generate all possible solutions.**

This step encloses two to three final solutions to the problem and preliminary implementation to the site. In planning, examples of this are Planned Units of Development and Downtown Revitalizations. This activity is best done in groups, as different people may contribute different ideas or alternative solutions to the problem. Without alternative solutions, there is a chance of arriving at a non-optimal or a rational decision. For exploring the alternatives it is necessary to gather information. Technology may help with gathering this information.

**3. Generate objective assessment criteria.**

Evaluative criteria are measurements to determine success and failure of alternatives. This step contains secondary and final analysis along with secondary solutions to the problem. Examples of this are site suitability and site sensitivity analysis.

After going thoroughly through the process of defining the problem, exploring for all the possible alternatives for that problem and gathering information this step says evaluate the information and the possible options to anticipate the consequences of each and every possible alternative that is thought of. At this point, optional criteria for measuring the success or failure of the decision taken need to be considered.

4. **Choose the best solution generated**.

This step comprises a final solution and secondary implementation to the site. At this point the process has developed into different strategies of how to apply the solutions to the site. Based on the criteria of assessment and the analysis done in previous steps, choose the best solution generated.

These four steps form the core of the Rational Decision Making Model.

**5. Implement the preferred alternative**.

This step includes final implementation to the site and preliminary monitoring of the outcome and results of the site. This step is the building/renovations part of the process.

**Monitor and evaluate outcomes and results.**

This step contains the secondary and final monitoring of the outcomes and results of the site. This step takes place over a long period of time. Feedback Modify the decisions and actions taken based on the evaluation.

* Planner defines the problem (not goal) Planner considers several alternatives and analyzes each Preliminary choices of the alternative for best fit considering feedback and impact of the client group
* Planner designs and implements course of action in the form of an experiment Evaluation of effects of the course of action. Did it alleviate the problem? Any feedback from course of action? On the basis of the feedback should the project or course of action be continued, changed, etc.
* If effective institutionalize the course of action.

**5.5 Production Planning Model**

The administrative process that takes place within a manufacturing business and which involves making sure that sufficient raw materials, staff and other necessary items are procured and ready to create finished products according to the schedule specified. A typical large manufacturing business engaging in production planning will aim to maximize profitability while maintaining a satisfied consumer base.

Production planning is a plan for the future production, in which the facilities needed are determined and arranged. A production plan is made periodically for a specific time period, called the planning horizon. It can comprise the following activities:

* Determination of the required product mix and factory load to satisfy customer’s needs.
* Matching the required level of production to the existing resources.
* [Scheduling](https://en.wikipedia.org/wiki/Scheduling_(production_processes)) and choosing the actual work to be started in the manufacturing facility"
* Setting up and delivering production orders to production facilities.

In order to develop production plans, the production planner or production planning department needs to work closely together with the marketing department and sales department. They can provide sales forecasts, or a listing of customer orders. The work is usually selected from a variety of product types which may require different resources and serve different customers. Therefore, the selection must optimize customer-independent performance measures such as cycle time and customer-dependent performance measures such as on-time delivery.

A critical factor in production planning is the accurate estimation of the productive capacity of available resources, yet this is one of the most difficult tasks to perform well.  Production planning should always take into account material availability, resource availability and knowledge of future demand.

Modern production planning methods and tools have been developed since late 19th century. Under [Scientific Management](https://en.wikipedia.org/wiki/Scientific_Management), the work for each man or each machine is mapped out in advance. The origin of production planning back goes another century. [Kaplan](https://en.wikipedia.org/wiki/Robert_S._Kaplan) (1986) summarized that the demand for information for internal planning and control apparently arose in the first half of the 19th century when firms, such as textile mills and railroads, had to devise internal administrative procedures to coordinate the multiple processes involved in the performance of the basic activity (the conversion of raw materials into finished goods by textile mills, the transportation of passengers and freight by the railroads.

Herrmann (1996) further describes the circumstances in which new methods for internal planning and control evolved: The first factories were quite simple and relatively small. They produced a small number of products in large batches. Productivity gains came from using [interchangeable parts](https://en.wikipedia.org/wiki/Interchangeable_parts) to eliminate time-consuming fitting operations. Through the late 1800s, manufacturing firms were concerned with maximizing the productivity of the expensive equipment in the factory. Keeping utilization high was an important objective. Foremen ruled their shops, coordinating all of the activities needed for the limited number of products for which they were responsible. They hired operators, purchased materials, managed production, and delivered the product. They were experts with superior technical skills, and they (not a separate staff of clerks) planned production. Even as factories grew, they were just bigger, not more complex.

About production planning Herrmann (1996) recounts that production scheduling started simply also. Schedules, when used at all, listed only when work on an order should begin or when the order is due. They didn't provide any information about how long the total order should take or about the time required for individual operations.

In 1923 *Industrial Management* cited a Mr. Owens who had observed: "Production planning is rapidly becoming one of the most vital necessities of management. It is true that every establishment, no matter how large or how small has production planning in some form; but a large percentage of these do not have planning that makes for an even flow of material, and a minimum amount of money tied up in inventories."

**5.5.1 Production Planning and Control**

For efficient, effective and economical operation in a manufacturing unit of an organization, it is essential to integrate the production planning and control system. Production planning and subsequent production control follow adaption of product design and finalization of a production process.

Production planning and control address a fundamental problem of low productivity, inventory management and resource utilization.

Production planning is required for scheduling, dispatch, inspection, quality management, inventory management, supply management and equipment management. Production control ensures that production team can achieve required production target, optimum utilization of resources, quality management and cost savings.

Planning and control are an essential ingredient for success of an operation unit. The benefits of production planning and control are as follows:

* It ensures that optimum utilization of production capacity is achieved, by proper scheduling of the machine items which reduces the idle time as well as over use.
* It ensures that inventory level are maintained at optimum levels at all time, i.e. there is no over-stocking or under-stocking.
* It also ensures that production time is kept at optimum level and thereby increasing the turnover time.
* Since it overlooks all aspects of production, quality of final product is always maintained.

### 5.5.1.1Production Planning

Production planning is one part of production planning and control dealing with basic concepts of what to produce, when to produce, how much to produce, etc. It involves taking a long-term view at overall production planning. Therefore, objectives of production planning are as follows:

* To ensure right quantity and quality of raw material, equipment, etc. are available during times of production.
* To ensure capacity utilization is in tune with forecast demand at all the time.

A well thought production planning ensures that overall production process is streamlined providing following benefits:

* Organization can deliver a product in a timely and regular manner.
* Supplier are informed will in advance for the requirement of raw materials.
* It reduces investment in inventory.
* It reduces overall production cost by driving in efficiency.

Production planning takes care of two basic strategies’ product planning and process planning. Production planning is done at three different time dependent levels i.e. long-range planning dealing with facility planning, capital investment, location planning, etc.; medium-range planning deals with demand forecast and capacity planning and lastly short term planning dealing with day to day operations.

### 5.1.1.2 Production Control

Production control looks to utilize different type of control techniques to achieve optimum performance out of the production system as to achieve overall production planning targets. Therefore, objectives of production control are as follows:

* Regulate inventory management
* Organize the production schedules
* Optimum utilization of resources and production process

The advantages of robust production control are as follows:

* Ensure a smooth flow of all production processes
* Ensure production cost savings thereby improving the bottom line
* Control wastage of resources
* It maintains standard of quality through the production life cycle.

Production control cannot be same across all the organization. Production control is dependent upon the following factors:

* Nature of production (job oriented, service oriented, etc.)
* Nature of operation
* Size of operation

Production planning and control are essential for customer delight and overall success of an organization.

**5.6 Kooros’ Model for Optimizing Economic Development**

Economic development entail strategic investment planning which also entails the in-depth and comprehensive assessment and integration of the internal and external factors and forces that impact long range institutional performance. Strategic investment decisions are referred to as those decisions that entail the organizations comprehensive long range financial perspectives, grounded upon its mission and strategic objectives.

An organization may have many important projects to implement. While the feasibility of each project should be closely scrutinized and evaluated on its merit, the organization may wish to consider these investment undertakings in a way that will enhance its overall multi period investment performance.

Due to scarcity of resources that confronts all organizations, not all desired projects can be implemented simultaneously some projects may have to be postponed pending resources availability, or when their utility becomes timely. Other projects may have to be accelerated to be more beneficial.

The same concepts applies in any growth forum. Planners in Newly Industrialized Countries (NIC’s) are concerned with deciding on a paradigm to accelerate development programs, without experiencing socio-economic or political problems. Yet not all the projects can be or need to be implemented simultaneously, as they would otherwise overtax the limited productive resources, and hence lead to inflation. Many NIC’s are occupied with improving their economic wellbeing through accelerated multi-billion dollar industrialization programs. These programs are to be achieved within an immediate time frame.

The question is then, on what basis should such decisions be made so that the organizations overall economic growth is maximized?

Kooro’s Model utilizes a consensus-oriented approach to identify a set of economic and industrial development objectives and their relative importance as the model’s objective function. A plausible modeling approach to this decision environment suggested the need for:

1. Identifying the economic and industrial objectives, i.e. the criteria on the basis of which economic development is planned
2. Determining the relative importance of these objectives, whose aggregate sum constitutes the decision preference, or the model’s objective function
3. Identifying the conditions under which these factors were affected (time being an important common denominator)
4. Structuring an appropriate model, capable of maximizing the economic and industrial development performance.

**TOPIC 6: POLICY MAKING**

**6.1 Roles of Public Policy in Development**

i. It builds the capacity of groups to identify their own needs, collectively. At grassroots level, it engages communities in a creative educational process aimed at social change.

ii. It develops an awareness and understanding of the policy context in which decisions are made, how resources are allocated and services planned and delivered that impact on their lives. In this process the connection between individuals’ ‘private’ troubles and public policy is made.

iii. It helps groups, collectively, to develop their understanding and analysis of the issues that need to be addressed, to prioritize what needs to be done, and to develop their agenda for change.

iv. It builds confidence, knowledge and skills, collectively, to enable marginalized groups to develop a strong and effective voice, and to engage with statutory agencies, governmental agencies and social partners at local and national level to advance their agenda for change.

v. It strengthens the organizational capability of excluded groups, which will enable them to effectively impact on local and national policy.

vi. It develops innovative and creative approaches to address the economic and social problems that arise from deprivation. It seeks, in a dynamic way, to test new approaches, which ensure the involvement of local communities and enables the sharing of talents and expertise.

vii. It advocates for policy change, based on an analysis of the structural causes of poverty and inequality.

viii. It mobilizes groups and communities to understand and articulate their human rights and to work collectively to realize the collective rights of groups:

* To live free from poverty, exclusion and discrimination
* To live in a fair and just society
* To exercise the right to realize their creative potential
* To participate in decision-making that affects them.

ix. It devises strategies to confront racism and sexism, to promote equality and inter- culturalism and to accommodate and celebrate diversity.

x. It also enables communities to monitor the implementation and evaluate and draw lessons about the impact of particular policies on social exclusion and poverty reduction. This feedback, through the participation and engagement of community organizations, contributes enormously to effective policy making, implementation and review.

**6.1.2 Role of State & Public Policy Formulation**

* + Minimalist State: Believes in Laissez Faire "leave us alone" policy where state takes up only regulatory role and a non-development role.
  + Public policy here will be regulative, facilitating (New Right Philosophy).
  + Developmental State: It does allow private players in the public field but the State is proactive in developmental activities and there is private public partnership to achieve the same. Public policy here is very detailed and gives a clear explanation of each issue.
  + Social Democratic State: Here the State focuses on equity instead of economy and democratic methods are used to achieve the same.
  + Public policy here is socially oriented.
  + Collectivized State: Private sector is majorly sidelined and the economic planning and development is centralized and in the State's hands.
  + Public Policy here will do the same and enforce the principles the State follows.
  + Totalitarian State: Here every aspect of society is centralized and controlled by the State totally like education, culture, religion, etc.
  + Public policy here is made on every aspect and the State performs all the functions alone

**6.2 Government Decision Making Process in Public Policy Formulation**

Policy is generally made by government or initiated by government. Policy development and decision-making, however, involves a complex interplay of interests and expertise between:

 Ministers

 Key civil servants in government departments

 Politicians/political interests.

The beliefs or ideology of political parties in government determine whether a government is sympathetic to particular policy changes/ developments. Political party manifestos shape the programmes for government, which provide the overall policy framework for each new government, a wide range of diverse interest groups, e.g. local or regional interests, international corporate interests, non-governmental organizations (NGOs), small and big business, cultural and religious interests.

The policy development and decision-making process also often engages semi-state agencies, local authorities/government, the social partners, expert working groups, and consultative, advisory and monitoring bodies established by government. Influencing decision-making successfully involves working with many of these different groups.

**6.3 Policy Design and Formulation**

Policy can be designed for a range of reasons, e.g. to give substance to a vision, to introduce reform, to deliver better quality services, to bring a country’s social or environmental policy into line with that of the world.

Policy making usually begins when people perceive that a problem exists. Perceptions about a problem may emerge from the media, politicians, organizations and interest groups in civil society, or the institutions of government.

Next, ideas are formulated on how best to resolve the problem and a discussion process is initiated which can be formal and structured, i.e. through the parliamentary process (e.g. a discussion document called a Green Paper), or conducted through media debate or a consultation exercise.

In this process, there are likely to be differences of opinion over what should be done about a particular problem and who should do it. How to deal with crime, for instance, is a case in point.

There have been very many differing and conflicting views on the type of policies that should be developed by government to address crime and the underlying problems. Different interests try to persuade government to adopt their ideas and put their solutions into practice. The process of shaping public policy usually involves efforts by competing interest groups to influence policy makers in their favour. Frequently, alternative proposals emerge.

The entire process normally involves different interests collecting and analyzing data, consultation with key stakeholders, assessing consequences of alternative actions, and gathering support for one proposal or another. If government leads the process, it then makes a decision on adopting the policy and putting it into practice.

Sometimes the government minister with responsibility for the policy area in question may set up a commission, an expert advisory group or a task force, supported by civil servants, to undertake the policy design and formulation process. The minister will receive a report and recommendations from the committee when the work is completed. The minister will report to the Cabinet who will consider her/his recommendations. Then the government, in cabinet, will make a decision on adopting the policy and putting it into practice.

If the policy-making process is being led from outside government, the interest group or body proposing the policy, once it has agreed on an appropriate course of action, must persuade the appropriate government or governmental agency to adopt the policy and, of course, have the policy implemented.

With regard to the overall policy-making process, it is important to acknowledge that a decision by a public body ‘to do nothing’ is also a policy decision.

**6.4. The Policy Making Process**

There are several stages in the establishment and carrying out of a policy by the government. These include agenda building, formulation, adoption, implementation, evaluation and termination.

**6.4.1Approaches to Policy Formulation**

**6.4.1.1 Agenda Setting**

In order to create a policy, the government’s attention has to be focused on a pressing problem requiring legislation. For instance, rivers and streams periodically overflow causing great loss to property and life. Further, winds and rains erode the land and rob it of its fertility. A social demand then arises for taking some action regarding the control and development of river valleys, and the conservation of natural resources.

Thus the legitimate public business comprises the agenda of the state. It comprises the process by which demands of various groups in the population are translated into items vying for the serious attention of public officials. The agenda of the state thus includes the things that government has to do in order to maintain a vital community. **Examples;**

 Public Agenda – Issues that have achieved a high level of public interest and visibility.

 Formal Agenda – List / Issues which decision makers have formally accepted for serious consideration.

Agenda setting is essentially an exercise in power and influence. Setting the agenda involves not only getting issues onto an agenda but also being able to determine the way those issues are defined and the solutions that are considered to be suitable. Agenda setting theory generally requires advocates to expand interest in a particular issue or policy (Cobb & Elder 1983, pp. 105-

8).

Cobb *et. al.* (1976) propose three models of agenda building:

1. An *outside-initiative model* where citizens groups gain broad public support and get an issue onto the formal agenda;

2. A second model where the issues are initiatives of government that need to be placed on the public agenda for successful implementation; and

3. An *inside-access model* where the policy proposals come from policy communities with easy access to government, with support from particular interest groups but little public involvement.

**Models of Agenda Setting**

**1. OIM** - Outside Initiating Model - This is a process where issues arise outside and are sufficiently expanded to reach government. They pass through Public Agenda then to Formal Agenda.

**Characteristics of the Model**

1. Initiation- Articulation of grievance or an issue in general terms by group outside government
2. Specification- Translating general demands into specific demands
3. Expansion- Expansion of issues to new groups linking the issue to previous issues to generate pressure outside government to attract attention of policy makers.
4. Entrance- Representative Movement of an issue from the public agenda to formal agenda where serious consideration of the issue by the policy makers can take place.

**Reasons for getting stuck of issues between the two policy agendas**

Importance of other issues compared to others

 Political interference (Politically geared/failure to capture political attention)

 Poor presentation and articulation of issues

 Political sabotage

 Many issues on the agenda

 Criticality of the issues

1. **MM - Mobilization Model**

This model describes policies and programs that the policy makers want to move from formal to public agenda. The issues have been placed on the formal agenda either by the decision makers or people who have access to them but there has not been preliminary expansion of these issues to the public agenda e.g. VAT, the Referendum Bill etc

**Characteristics of the Model**

a. Initiation- Announcement of a policy/program by a prominent political leader places it automatically on the formal agenda Examples of policies that are not debated: Free Primary/ Secondary Education, Property Tax, scrapping off of market dues, Alcohol Consumption Bill “Mututho Law”, etc

b. Specification- Following announcements, effort is made to explain to the public the details concerning the policy/program. Specifics have to be articulated in relation to the policy

c. Expansion- Leaders who initiate policies/programs try to expand the issue to the new groups to draw additional participants

d. Entrance- The issue is moved from the formal agenda to the public agenda. In this stage there are quite a number of challenges involved

**Importance of the model**

 To avoid resentment from the public

 To add information on some issues

 Legitimize the issue from the public

 Seek justifications from the public

1. **IAM**-Inside Access Model- This describes a situation that is easier or that is successful in achieving both formal agenda status and implementation of the proposed policy with fewest changes. The policy originates within government or within a group which has easy access to policy makers’.

**Characteristics of the Model**

a. Initiation and Specification- An inside group or agency within the government with close ties to politicians articulate grievances/Policy proposals

b. Expansion- Limited issue on expansion to the public because they don’t want the issue to be on the public agenda. It is aimed at particular influential groups which are important in its passage and implementation.

**6.4.1.2 Policy Formulation**

Policy **formulation** involves adoption of an approach for solving a problem. There may be choice between a negative and a positive approach to a problem. The Legislature, the Executive branch and the Courts may favor dependence on impersonal forces to correct momentary difficulties. However interest groups may desire vigorous human interference with these forces to control persistent difficulties. Either of these approaches involves the formulation of policy. After a policy is formulated, a bill is presented to the Legislature, or proposed rules are drafted by regulatory agencies. The **adoption** of a policy takes place only when legislation is passed, or regulations are finalized or a decision has been passed by the Supreme Court.

The policy formulation process typically includes an attempt to assess as many areas of potential policy impact as possible, to lessen the chances that a given policy will have unexpected or unintended consequences. Because of the nature of some complex adaptive systems such as societies and governments, it may not be possible to assess all possible impacts of a given policy.

**6.4.1.3 Implementation**

The carrying out of policy or its implementation is usually done by other institutions than those that were responsible for its formulation and adoption. Many problems are technically so complex and difficult that the legislature does not try to deal with them in detail. The legislature thus indicates the broad lines of policy, and leaves the elaboration of the policy to other governmental agencies. The complexity of the policy, coordination between the agencies putting it into effect and compliance, determine how successfully the policy is implemented.

**6.4.1.4 Evaluation and Termination**

Evaluation involves checking how well the policy is working out, which is definitely a difficult task. The **cost-benefit analysis** is used by people inside and outside government to determine whether government expenditure on a particular program, is justified by the benefits derived from it. Further, different or also contradictory interpretations may be obtained from the data that forms the basis of the cost -benefit analysis.

It is difficult to terminate policies, once they have been implemented. Generally policies which are absolute; failed to work; or did not find support among interest groups; have to be terminated.

Diagram: The Process of Policy Making Process



**6.5 Policy Making Models**

A model is a representation of something else designed for a specific purpose.

**6.5.1 Ideal/ Rational Model**

A rational policy is one that achieves "maximum social gain"; that is, governments should choose policies resulting in gains to society that exceed costs by the greatest amount, and governments should refrain from policies if costs are not exceeded by gains. First, no policy should be adopted if its costs exceed its benefits. Second, among policy alternatives, decision makers should choose the policy that produces the greatest benefit over cost. Rational policymaking also requires information about alternative policies, the predictive capacity to foresee accurately the consequences of alternate policies, and the intelligence to calculate correctly the ratio of costs to benefits. Finally, rational policymaking requires a decision- making system that facilitates rationality in policy formation. Large investments in existing pro gr ams an d policies (sunk costs) prevent policy makers from considering alternatives foreclosed by previous decisions.

**Assumptions**

a. The policy maker has a list of alternatives. (Scientifically selected)

b. The policy maker has formulated a list of all possible alternatives to achieve stated goals.

c. The policy maker has a value system which is applied to those alternatives to make sure the best choice is picked.

d. Policy maker is expected to make clear decisions and guide the public administrators in policy implementation.

**Approaches**

**1. Considering values and options together (Herbert Simon 1957)**

i. Information gathering (present and potential problems and opportunities)

ii. Identify all options

iii. Assess consequences of options iv. Relating consequences to values v. Choosing preferred option

**2. Setting objectives first (Lindblom 1959)**

i. Define and rank governing values- (What is very important and cannot be compromised)

ii. Specify objectives compatible with these values

iii. Identify all relevant options for achieving these objectives

iv. Calculate all the consequences of all the options and compare them.

v. Choose options/ combinations which would maximize values earlier defined as being most important.

**Criticisms**

1. Some problems need urgent solutions and may not wait for information gathering process.

2. The process keeps going back and forth and the end rational decisions information will have changed.

3. The model is unrealistic and impractical.

4. The model is too divergent from reality

**Challenges**

1. Many public administrators lack the knowledge and skill of cost benefit analysis which requires one to get training in the area of Economics, Accounting, Public Sector Accounts etc. This gap of knowledge makes it difficult to investigate all possible options and alternatives and select the best alternative.

2. Selfish interest by some public administrators whose main interest is prestige, power and politics

3. Influence of donor countries and agencies like IMF through SAPs (donor preference not rationality)

4. The model demands a scientific and systematic research into the problems and examining alternative options: - the process becomes long and not appropriate to address urgent situations. E.g. outbreaks (Ebola, bird flu)

5. It is difficult to get consensus

**Advantages**

a. Allows room for new ideas and innovations because only small change is planned. b. Stages at which each value is assigned a relative weight is useful

c. Helps in discovering all the alternatives available and the consequences of each alternative.

d. It’s a way of analyzing societal values and preferences and their relative weight.

**6.5.2 Disjointed Incrementalism Model**

Incrementalism views public policy as a continuation of past government activities with onl y incr em ent al mo difi cat ions. The existing policies and programs are the base of focal point of reference to policy or program formulation.On t he cont ra r y, cons trai nts of tim e, inf or mation , and cost prevent policymakers from identifying the full range of policy alternatives and their c ons equ en ce s . In cr em ent alism is cons e rvati ve in th at ex istin g p ro gr ams; p olici es, an d expenditures are considered as a base, and attention is concentrated on new programs and policies and on increases, decreases, or modifications of current programs. Policymakers generally accept the legitimacy of established programs and tacitly agree to c o n t i n u e p r e v i o u s p o l i c i e s . S e c o n d , p o l i c y m a k e r s a c c e p t t h e l e g i t i m a c y o f p r e v i o u s policies because of the uncertainty about the consequences of completely new or different polici es k now n p ro grams wh en th e cons equ en c es of n ew pr o gr ams can not b e pr edi ct ed. Con fli ct i s h ei ght en ed wh en de cision m akin g fo cu ses on m ajo r poli c y s hifts in vo lvin g g r e a t g a i n s o r l o s s e s , o r " a l l - or - n o t h i n g , " , " y e s - or - n o ” p o l i c y d e c i s i o n s . T h i s s e a r c h usually begins with the familiar-that is, with policy alternatives close to current policies. Only if these alternatives appear to be unsatisfactory will the policy-maker venture out toward more radical policy innovation.

**Advantages**

a. It allows for a new policy plan to be easily tested and abandoned if necessary before much damage is done.

b. Easy to implement because it follows past procedures.

**Challenges**

a. Conservatism because of insistence on preference to past policy which may not have been that successful.

b. The policy is anti-rational which leaves no room for the development and application of rational approach to public policy which is very important when dealing with new challenges.

6**.5.3 Elite Mass Model**

Public policy may also be viewed as the preferences and values of governing elite? Elite theory suggests that the people are apathetic and ill-informed about public policy, that elites actually shape mass opinion on policy questions more than masses shape elite opinion. Thus, public policy really turns out to be the preferences of elites. Policies flow downward from elites to masses; they do not arise from mass demands. Only non-elites who have accepted the basic elite consensus can be admitted to governing circles.

**Assumptions**

• Elites share consensus on behalf of the basic values of the social system and the preservation

of the system.

• Public policy does not reflect the demands of masses but rather the prevailing values of the elite.

• Active elites are subject to relatively little direct influence from apathetic masses. Elites

influence masses more than masses influence elites.

• Elite shape mass opinion on policy questions more than masses. The model suggests that the mass is always ill-informed about public policy thus it is really shaped by elites

• It is not a response to the interest and demands of the masses but rather the ruling elite who control the masses.

• Public officials and administration merely carry out the policies decided by the elites. This model points out the politicians, bureaucrats, business people as the very important actors in public policy process Democratic institutions, elections and parties are only important for symbolic value.

**Implications of Elite Theory for Policy Analysis**

The values of elites may be very “public regarding." Second, elitism views the masses as largely passive, apathetic, and ill informed; mass sentiments are more often manipulated by elites, rather than elite values being influenced by the sentiments of masses; and for the most part, communication between elites and masses flows downward.

**4.5.4 Systems Model**

Assumes that public policy is the outcome of output of a political system response to the demands put forward by different interest groups. (Output of a political system)

 Assumes that public policy is a response to political systems demands.

 Demands of an individual or groups act to affect public policy.

 Elements of a political system are interrelated e.g. the downsizing of public service can be viewed as a response of government to the big size of the public service inherited by the government.

**6.5.5 Institutional Model**

Focuses one organizational chart of government and describes the arrangements and official duties of bureaucrats. It asserts that populations come out of institutions of governments because these institutions can authoritatively determine, implement and enforce such policies. However, such policies tend to be conservative and institutionally centered and not in the interest of the public.

***Review Questions***

1) Define development process.

2) Discuss the role of public policy in the development process

3) Discuss the role of state in policy formulation

4) What are the importance of public policy in development?

5) Explain the effectiveness of policy in developing countries

**References for Further Reading**

i) William K. Bellinger (2007) *The Economic Analysis of Public Policy* Routledge

ii) Gerald J. Miller (2006) *Handbook of Public Policy Analysis Theory, Politics, and*

*Methods*, CRC Press.

**TOPIC 7: POLICY IMPLEMENTATION**

**7.1 Process of Policy Implementation**

Policy making and policy implementation are not the same thing. Good policy making will consider and define the systems, the structures and the processes that need to be put in place to effectively implement the decision of government. It will define and outline the budget and resources that will be required to implement the policy. It will define and establish the targets to be achieved and indicate a timeframe for achieving the targets.

It will also establish a monitoring system and indicate review dates to evaluate the effectiveness of the policy in practice. This will ensure that the outcomes as intended by the policy makers are being delivered upon.

The gap that often exists between policy making and policy implementation has been identified as one of the key challenges facing successful efforts to address poverty and inequality. Implementation is very important especially in terms of social inclusion policies. These often become diluted in their implementation, by opposing or neutral interests. Traveler accommodation is a good example of where the implementation mechanism has not been strong enough. In many cases local officials and elected representatives have felt unable to implement policy in the face of opposition.

**What is Policy Implementation**? Represents the stage where government executes an adopted policy as specified by the legislation or policy action. At this stage, various government agencies and departments, responsible for the respective area of policy, are formally made responsible for implementation.

Policy implementation is what happens after a bill becomes law.

 Policy implementation is the stage in the policy process where policy action occurs to address a recognized policy problem.

 at this stage, the design of a policy proposal is put into effect.

 Policies are executed by respective administrative agencies.

 Selected instruments are applied reflective of the legislative mandate, bureaucratic interpretation, and capacity.

 Specified target populations, and the society, experience the first tangible effects of the policy once implemented.

Once the government has legitimized some form of public policy such as a law, statute, edict, rule, or regulation, the stipulations of that policy must be put into action, administered, and enforced to bring about the desired change sought by the policy-makers. This task defaults to the government executive and necessitates the designation of a government agency as having the responsibility for the new policy. Theoretically the responsible agency is given the requisite resources and authority to ensure that the new policy is carried out as intended, but in reality, this does not always occur.

As discussed earlier, public policy is implemented to effect some change in the behavior of a target population and it can normally be assumed that this change will ameliorate some public problem. Therefore, it stands to reason that unless the stipulations of a given policy are actually carried out, the problem will persist. As soon as the tenets of the new policy are implemented, a detailed policy evaluation can be conducted to determine if the desired results are being obtained and if not, why not, and what needs to be changed.

Administrative agencies (the civil service) accomplish most of the day-to-day work of government therefore they have the most immediate and direct impact on the daily lives of citizens than do any other government entities. Implementation involves all of the activities designed to carry out the policies enacted by the legislative branch**.** These activities include the creation of new organizations and departments, agencies, bureaus, and so on or the assignment of new responsibilities to existing organizations. These organizations must translate laws into operational rules and regulations. They must hire personnel, draw up contracts, spend money, and perform tasks*.* One critical aspect of policy implementation is the high degree of discretion afforded to the bureaucrats and agency procedures to transform laws into action as outlined above.

Administrative decision-making has a significant impact on the determination of who receives benefits and who is restricted as a result of the implementation of any policy. Administrative decision-making also has a far reaching impact on society as a result of the promulgation of agency regulations, contracting, licensing, inspections, enforcement, adjudication, and the actual discretion for agencies to interpret their own agency rules.

Why Policy Implementation Matters

 Effective and efficient policy actions require consideration to be given to the constraints and challenges of implementation—preferably even as the policy is formulated.

 How well a policy is implemented has much to do with determining if it is successful or not!

Regardless of how well intentioned, or how well formulated, or how universally supported in the adoption phase of the policy process, a public policy cannot begin to change the behavior of a target population or solve a specific public problem until someone or some organization implements the policy. Ideally, each policy includes a design of how a public problem will be resolved. This design will define, in varying detail, the goal(s) of the policy, the set of policy instruments to be used, the agency responsible for implementation, possible timetables, and the target population. The point of policy design is to match the correct set of instruments with the identified problem and to ultimately solve that problem. However, as we have seen throughout this course, it is highly unlikely that any adopted public policy or agency rule or regulation will ever achieve such clarity primarily because of the necessity for policy feasibility and acceptability. The competition inherent in the political stream of the policy process dictates the accommodation of many interests which inevitably dilutes policy details resulting in vague and ambiguous and often confusing legislation.

Frequently, the political give-and-take of the various policy actors in the policy process prevents a thorough understanding, and all too often a misidentification, of the true public problem at hand. Unfortunately, as solutions are developed in the policy formulation stage, improper or inadequate policy instruments are proposed that will have little if any impact. Consequently, policy-makers must be extremely cognizant of the fact that the ills of poorly designed policy cannot be miraculously healed by administrative agencies as they attempt to interpret and implement imperfect legislation.

The following text block provides some key considerations that policy-makers should take into account as they work through the policy formulation process.

The important point to remember is that the limited understanding of the causality of most social problems makes an in-depth evaluation of potential solutions nearly impossible. Limited understanding and knowledge coupled with the impact of diverse political considerations means that the potential for policy success is limited. Therefore, policy-makers must seriously consider the difficulties and vagaries of policy implementation if they intend to enable any policy solution to have the optimum opportunity to be as successful as bounded rationality allows:

**The Relationship: Design and Policy Implementation**

 Better policy can result if policy designers and implementers address some or all of the following questions***.***

 Was the design of the policy appropriate given the nature of the problem?

 Does the design assist or complicate policy implementation?

 Is the agency organizationally capable of administering the program or policy?

 Can the instruments be effectively implemented?

 Are there political obstacles to effective and efficient implementation?

 What impact will the policy solution, once implemented, have on the target population?

 How essential are the administrative actors to success of the policy?

 Have potential factors prevented or made difficult policy implementation?

**Challenges and Pitfalls of Policy Implementation:** The implementation stage of the policy process is by definition an operational phase where policy is actually translated into action with the hope of solving some public problem. Theodoulou and Kofinis (experts in PP) identify three key challenges which they believe can routinely impede the effective implementation of public policy. Those three challenges are:

**1. Clarity of policy goals**

**2. Information intelligence**

3. **Strategic planning**

**1. Clarity of Policy Goals:** Clear policy or program goals help specify the ends or objectives desired from the policy action. Ideally, policies should be formulated with consideration of what the actual specific goals of the policy are. A goal stated with clarity and specificity not only provides direction but also improves the basis by which policies can be evaluated, for accountability, efficiency, and effectiveness

**2. Information Intelligence:** Information intelligence refers to the strategic necessity for constant feedback as to how implementation is progressing, as well as preliminary assessments of impacts. Given the increasing reliance on multiple bureaucracies, information and feedback is essential to gauge the degree of interagency and intergovernmental cooperation and conflict, which may be affecting implementation. Information intelligence requires a high level of communication and feedback not only from the agencies involved but also from the population affected by the policy action. Implementation can be improved only if the implementers have insight as to how a policy or program is affecting a target population

3. **Strategic Planning:** The purpose of strategic planning, within the context of policy implementation, is to highlight the importance of assessing the capacity of an agency to meet specific implementation tasks and goals mandated by the policy decision. Essentially, strategic planning is a tool with which the agency can evaluate its ability to achieve the goals of the policy, as well as plan for how the policy will be executed

**Steps to Strategic Planning**

1. Statement of agency goals, mission, or vision

2. Adoption of a time frame

3. Assessment of present capabilities

4. Assessment of organizational environment

5. Development of a strategic plan

6. Organizational integration

It is important to note that these three key implementation challenges as briefly outlined above do not represent the universe of potential problems that can be encountered during the implementation stage. PP experts have identified many other pathologies and variables which can equally impede successful policy implementation. Some of the policy distracters discussed includes:

i. the vagaries of the legislation,

ii. the number and diversity of competing interest groups involved in the policy process, organizational disunity of the institutional actors,

iii. standard operating procedures employed by administrative agencies, iv. poor organizational communication both internal and external,

v. the perceived inability of administrative agencies to learn from prior experiences in a reasonably quick period of time, and

vi. Inter-organizational politics and conflict, and the difficulties experienced with vertical and horizontal implementation structures.

The importance of the knowledge of these challenges is that it helps us to understand that policy implementation is not easy to begin with, and it can be made much more difficult if no attention or consideration is given to these potential pitfalls and the subsequent obstacles that they can engender if they are ignored.

**7.2 Approaches/Methods Used in Policy Implementation**

**7.2.1 Synthesis Approach:**

A top down approach is more useful when goals and objectives are clearer and policies are designed in a comprehensive way. A single domain, comprehensive policy and planning a vision and technical skills and extensive pool of resources which are rare in developing countries. Local experiences and perspective are important factors, which contribute for success or failure of any public policy. Furthermore, bottom up approach helpful for implementation if objectives are not clear and polices viewed as non-singular domain.

Implementation stage in policy process is a phase where bureaucratic actors, individuals and institutions either concentrate or relax the law or tighten the rule and procedure to slant the outcome.

Policy – action relationship – a managerial perspective reflecting a "policy centered" or "top down" approach can be viewed as an implementer is acting as an agent of policy designer. As this approach demands initiation, influence, confirmation to objectives, coordination and adherence to compliance. Does action relationship match the description of real world events?

Policy implementation can be viewed as transformation of design into action, series of consequential steps, progress, interaction and negotiations between those seeking policy goals and those who actually implant it. The advantages of "bottom up" and "top down" perspectives and real description, drive us to find common grounds between these two approaches.

**Implementation Approaches**

|  |  |
| --- | --- |
| Top Down | Bottom Up |
| Goals are clearly defined | Goals are loosely defined |
| Policies are confirmed at a coherent single domain | Policies are independent domains  computing for resources |
| Policy consist on authorities' statement |  |
| Policy designer – allocate the resources in very organized way at each implementation level. | Resources and expertise are not allocated properly. |
| A well common cause of interest are exists, at all  level | Implementation through communication and compromise. |
| A well-established structure of command control practical ex is from top to bottom. | Street Bureaucrat have a latitude in  enforcement |
| Require strict adherence to compliance and regulation procedure. | Accommodate local norm incentive to find common grand in procedural implementation. |

**A Summary of the pros and cons of the “bottom up” and "top down" approaches**

A "perfect implementation" requires that a single implementing agency, without or with a least minimal dependency on others, outside institutions and individuals, to execute a policy. This minimal dependency factor might represent no outside administrative oversight, operational dependencies and of course financial freedom. In complex series of events; a procedural linkage, agreements and understanding among participants, greatly affect the rate of success and failure of any policy outcome.

Not only United States but also British Government is also losing its capacity as "single actor" as an implementer. The complexity of issues and related programs, and the "number and nature of dependencies" have been substantially increased. It is next to impossible to implement a public program by simply involving a single governmental agency. Due to the complexities of the

problems, legality, and encroachment among various organizations, it is hard to imagine, a policy without the involvement of affected citizens, local authorities, boards, commissions and even voluntary groups and organizations. Due to these reasons, researchers have suggested that right from the beginning of policy design a "necessary clearness" should be sought at every "decision point". A decision point is a point of engagement of a participant at specific stage, within or outside of concerned agencies. It is further argued that this type of dependency increases the overall performance and probabilities and extremely affects the implementation process.

**7.2.2 Structural Approach:**

The structural approach is a relatively hierarchical, representing bureaucratic organization. For its external operation or working environment, the processes are identical to vertical organization. However, when it reaches to policy implementation, more "organic" features are required; less emphasis on hierarchy, more flexibility and adoption to changing environments.

To process more information and take action simultaneously demands more organic or less vertical organizational behavior. A possible compromise between bureaucracy and "adhocracy" is a cross section of "horizontal" and "vertical" authorities.

When policies changes occur even organizations structures change in order to adjust to changes in policies.

 Planning of change- occurs when change is generated from within the control of the organization. It determines the time, pace in which changes take place.

 Planning for change- occurs when change is externally imposed and when the change is difficult to predict, control and contain. E.g. by external organizations such as IMF, World Bank etc. This calls for flexible structures to cope with unpredictable changes.

**7.2.3 Procedural and Managerial Approach:**

Appropriate procedures and processes are more important in an organizational structure than anything else. Implementation process is heavily dependent on managerial and technical skill. Procedures are introduced to control, set pace, coordinate, scheduling timeline, monitoring progress and management. Procedures define managerial boundaries, control, logical sequence, allocation of resources. These procedures, techniques and tools enhance the probability to move in the right direction, timeline management and anticipate risks. They make procedures that are forward looking and flexible. The organization should be able to determine change in direction to procedures. Manager can make structural changes.

**7.2.4 Behavioral Approach:**

Human behavior and attitudes, individual or collectively as a nation, has great impact on implementation process. For any change, moving away from status quo, the range of human reactions varies; active resistance, passive resistance, indifference, passive acceptance or active acceptance. Fear of change represents uncertainty, ambiguity, and people reflect low tolerance for both. For more direct concerns as personal benefits, economic condition, privileges, social status, security and career prospect, reaction is more obvious and certain. It recognizes resistance to change by people. There’s a human factor that has to be addressed like behavior. E.g. attitudes of people to be changed.

In design phase and before implementation process an extensive consultancy and communication should occur among all the policy actors and target population to avoid any possible resistance. A full disclosure of information should be provided as early as possible, including concerns, difference of opinions, objectives and logistics. Seek to convince might be more effective approach than command. The war on terror might have positive result if U.S. Administration and coalition partners try to win "hearts and minds" instead relying on their weaponry power.

**7.2.5 Political Approach:**

This refers to patterns of power and influence between and within organizations. Political approach is not limited to party politics. In term of policy implementation, pattern of power use within organization and its influence "over flow" on other organizations and policies need a careful examination. If the policy is not crafted according to the political authority of relevant organization, the probability of success in implementation phase can be drastically reduced. The dominance of a "political will" is "a must" requirement for successful policy implementation. This dominance always prevails regardless it is through coordination, coalition, by partisan, mutual adjustment or through decisive command and control.

The success of policy is very much correlated with coherent willingness of dominant groups; an ability of pursuit by coalition partners, within organization or with outside agencies. These inter- agency arrangements are laid down in the chapter of "inter-governmental relations". In any arrangement, participating organizations assert their political jurisdiction and authority, via constitutional discretion or though bargaining in policy process.

The inter-governmental coordination, coalition and subordination, and exercise of political will, and jurisdiction might bring repercussions and complications, and worth consideration at or before implementation process. Some policies are completely dependent on political strategy for their successful execution.

**7.3 Factors Influencing Policy Formulation and Implementation**

A number of factors and considerations must be kept in mind during policy development. These factors will be used to judge whether the policy, and the process of developing the policy, is or has been sound.

**Public interest:** What is in the best interest of society as a whole? How is the common good balanced against any private or special interests? Is the process fully inclusive, especially of those who are often overlooked or unable to participate?

**Effectiveness:** How well a policy achieves its stated goals?

**Efficiency:** How well resources are utilized in achieving goals and implementing policy.

**Consistency:** Degree of alignment with broader goals and strategies of government, with constitutional, legislative and regulatory regime.

**Fairness and equity:** Degree to which the policy increases equity of all members and sectors of society. This may link directly to consideration of public interest.

**Reflective:** Of other values of society and/or the community, such as freedom, security, diversity, communality, choice, and privacy.

**A good policy must be:**

**Socially acceptable:** Citizens and interest groups feel that the policy reflects their important values, e.g., fairness and equity, consistency, justice.

**Politically viable:** The policy has sufficient scope, depth, and consensus support that elected officials are comfortable with the decision.

**Technically correct:** The policy meets any scientific or technical criteria that have been established to guide or support the decision.

Values are the foundation of public policy - values of individuals, groups, and society as a whole. The challenge of choosing and affirming some values and not others must be acknowledged and discussed openly in a democratic society

**Other Factors include**

- Natural calamities –floods, drought

- Political instability

- Time (inadequate time)- change expected too soon

- Resources (insufficient resources)

- Low budgetary allocation

- Lack of other combination of resources e.g. health centers lack doctors, drugs

- Poor problem identification (bad policies).Poor understanding of the problem to be solved.

- Lack of understanding between implementers and policy makers and clients

- Lack of a specified sequence of task

- Change in national economic policies

- Over dependency of policy to donors/agency

- Change in international prices

- Change in government

- Political influence

***Review Questions***

1) Discuss the various models of policy making process

2) Elaborate the different types of policy analysis

3) What are the challenges faced in the selection and evaluation of policies?

4) Describe the various implementation approaches

5) Briefly explaining the challenges faced in policy implementation

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**TOPIC 8: POLICY ADMINISTRATION**

Policy administration is the study of the mechanism through which policies are developed and implemented by different agencies (Lemay, 2006) it is a part of the policy process that plays an important role in policy formulation.

**8.1 Functions of Policy Administration**

Policy administration comprises of the following functions:

The generic administrative functions such as policy making exercising control, staffing financing, organizing and the development of work procedure’

The functional activities that each institution or department is designed to perform such as education, security, defense, energy and nursing

The auxiliary functions that play vital role in the caring out of the generic functions and functional activities such as research, analysis and collection of data, data processing, record keeping and costing( Hanekon and Thonhill 1986)

**8.1.1 Policy Making**

The policy entails what the organization do or the decisions they make, the results of their decision or the programme they sponsor so as to achieve their set goals (Garson and Williams,

2002). The policy includes the major areas of concern to the organization. The activities and commitment of the organization are important to the meaning of the policy because there will be no policy without the organization direction and involvement (Gerston, 2004)

**8.1.2 Exercising control**

Control refers to ensuring that the set objectives are attained in line with established plan and command and taking necessary steps to ensure that failure to achieve set objectives are rectified (Barton and Chappell, 1985). Control means that there must be set aims or policy statement that outlines the future goals. Moreover, objectives can be outlined for the realization of the aim. Control measures include reporting on the outcome of the set goals and auditing to determine whether income and expenditure comply with legal requirements. These measures will probably remain in the organization. The other generic administrative functions also serve as control measures. (Roux and Brynard, 1997)

**8.1.3 Staffing**

Staffing relates to the hiring and training of personnel and maintaining favorable conditions in the organization (Barton and Chappell 1985). It is the means of ensuring that high quality personnel is provided, properly trained and guided.

**8.1.4 Financing**

The administration of a policy in an organization largely depends on the revenue available. Financing relates to budgeting for the cost of running the organization or unit fiscal planning, accounting for income expenditure and control. Line managers are responsible for the effective, efficient, economic and transparent use of financial resources within the areas of responsibility, they must, within their functional areas, take effective and appropriate steps to prevent any unauthorized expenditure, irregular expenditure, fruitless and wasteful expenditure and any under collection of due revenue . Moreover since measurable objectives must be submitted for each programme, line managers may be held accountable for generated output.

**8.1.5 Organizing**

Organizing or organizational arrangements relates to the establishment of the hierarchies of officials and officers. It refers to the formal and informal nature of organization. Formal organization relates to the official structure and relationship. Structure and processes that are established by the policy or regulations representing it. The policies code of conduct and structure provide the formal relationship between employees and between the supervisors and the subordinates. Informal organization is constituted by the unofficial social relationship and structure as shown in human and group behavior.

**8.2 Development of work procedure**

A systematic and orderly work procedure is necessary for the successful completion of any function at all levels of an institution. Work procedure relates to the chronological arrangement of duties to accomplish set goals. In that regard, the work procedure in accordance with which the officers will work have to be rationalized and recorded (Roux, 1997)

Officials perform both the generic and auxiliary functions. Policy administration requires two kinds of officials, namely the administrative generalists and specialists. The administrative generalist understands the objectives of the policy and be able to implement them. They should have the management techniques needed to plan, coordinate, direct and evaluate administrative operations. The administrative specialist who should first be trained as administrative generalist, should receive further training in specialized fields of administration such as management, finance, budgeting, and planning economic and social administration.

**8.3Challenges of Policy administration in Africa**

**Conclusion**

Policy administration consists of the functions of policy making, financing, control measures, organization and development of work procedure and they are aimed at realizing the policy’s objectives. These are indispensable for any kind of action. Policy making indeed provides the point of departure for activities in the policy.

***Review Questions***

1) Define policy administration

2) Discuss the function of policy administration

3) Giving relevant examples, discuss the factors that have led to poor policy

administration

4) Discuss policy administration process in Kenya

5) Describe ways of policy administration in Kenya

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**TOPIC 9: DEVELOPMENT PLANS AND POLICY EVALUATION**

**9.1 Policy Evaluation**

Policy evaluation can be better defined as a process by which general judgments about quality, goal attainment, program effectiveness, impact, and costs can be determined. Theodoulou and Kofinis, 2004, p 192)

Monitoring, reviewing and evaluating policy and its implementation is crucial to ensuring that the outcomes are consistent with those intended by the policy makers. Reviews area way of keeping current issues central and introducing new concerns. Policy reviews and evaluations are intended to provide lessons for an improvement in the implementation process and to influence new policy formation.

The context framing a particular policy initiative can alter dramatically during the period of implementation. A review can point to the need to refocus objectives to produce better results from investment or establish higher-level targets and expectations from the implementation of the policy.

Once public policy has been operationalized through the formal adoption of laws, rules, or regulations, and the bureaucracy has taken action to implement the policy, some form of evaluation needs to be accomplished to determine if the policy has achieved the desired outcome or impact. Public policy represents the expenditure of limited public resources and or restrictions on certain types of individual or organizational behavior. Consequently, the public has a right to expect that their government officials are accountable for the validity, efficiency, and effectiveness of those policies. Policy evaluation is therefore an absolutely critical stage in the policy process whereby it can determine whether a policy’s effects are intended or unintended and whether the results are positive or negative for the target population and society as a whole (Theodoulou and Kofinis, 2004, p. 191). In essence, policy evaluation is the process used to determine what the consequences of public policy are and what has and has not been achieved.

Elected officials, policy makers, community leaders, bureaucrats, and the public want to know what policies work and what policies don't. The purpose of evaluation is to determine whether an implemented program is doing what it is supposed to. Through evaluation, we can determine whether a policy's effects are intended or unintended and whether the results are positive or negative for the target population and society as a whole.

At first glance, policy evaluation appears to be a straightforward concept however a closer inspection of the process reveals that policy evaluation can be equally as political and divisive as any other stage of the policy process. Policy evaluation provides additional opportunities for the myriad political interest groups and policy actors to attempt to influence the life of a specific policy. Favorable evaluations of the impact of a given policy will tend to perpetuate the implementation and life-cycle while unfavorable evaluations may give rise to change or possibly policy termination. Depending on the inclination of any interest group or policy actor, the perception of how well a policy or program is performing or being implemented can have far- reaching impact.

The retrospective analysis of any public policy or government action is bounded by a number of real-world constraints, such as time, budget, ethical considerations, and policy restrictions as well as political ideologies, values, experiences, measurement instruments, goal clarity, and institutional biases. The key to understanding and interpreting the results of any policy evaluation is that some degree of bias is inherent in the process. However, this shortcoming should not prevent efforts to produce fair and unbiased policy evaluation products, at least as much as possible. The objective of policy evaluation is to discover policy flaws and to attempt to correct them given the entire limitations incumbent in the overarching policy process. In its simplest form, evaluating a public program involves cataloging the goals of the program, measuring the degree to which the goals have been achieved, and, perhaps, suggesting changes that might bring the performance of the organization more in line with the stated purposes of the program (Peters, 2007, p. 163).

The consequences of such policy programs are determined by describing their impacts, or by looking at whether they have succeeded or failed according to a set of established standards. Several evaluation perspectives are:

 Evaluation is the assessment of whether a set of activities implemented under a specific policy has achieved a given set of objectives.

 Evaluation is the effort that renders a judgment about program quality.

 Evaluation is information gathering for the purposes of making decisions about the future of the program.

 Evaluation is the use of scientific methods to determine how successful implementation and its outcomes have been.

**9.1.1 Types of Policy Evaluation**

Most models of policy evaluation ground their analytical perspective in the logical process used to determine the disparity between what was conceptualized by the initial policy goals and what has actually been accomplished by the policy or program as implemented. However, many other models focus their analysis on different objectives such as what is the true purpose of the evaluation, what is the role of the evaluator in the process, how broad or narrow should the scope of the evaluation be, and finally how should the evaluation be organized and conducted, for example what measurement instruments should be employed to determine success or failure. Theodoulou and Kofinis (2004) identify four generic types of the most commonly used policy evaluation typologies and they are: process evaluation, outcome evaluation, impact evaluation, and cost-benefit analysis.

**Types of Policy Evaluation**

 Process Evaluation

 Outcome Evaluation

 Impact Evaluation

 Cost-Benefit Evaluation

**Process Evaluation:**

As its name implies this type of evaluation analyzes how well a policy or program is being administered. This type of evaluation is employed more often by program managers to determine what can be done to improve the implementation, the aspects of service delivery, of the program. It does not directly address whether or not the policy or program is achieving the desired outcome or impact on the target population.

 Determine why a program or policy is performing at current levels.

 Identify any problems.

 Develop solutions to the problems.

 Improve program performance by recommending how solutions should be implemented and evaluated once carried out.

**Outcome Evaluation:**

Outcome evaluation as described by Theodoulou and Kofinis focuses more on the readily available and tangible results of policy. The actual impact of the policy is the subject of the next type of evaluation.

 Legislative intent

 Program goals

 Program elements and indicators

 Measures of indicators

 Program outcomes (positive or negative)

**Impact Evaluation:**

This type of evaluation is what is more commonly perceived as a policy evaluation. The objective of this type of evaluation is to determine whether or not a given public policy or program is in fact achieving the intended impact as visualized by the various policy actors who either supported or opposed the given policy. In comparison with outcome evaluation, impact evaluation is concerned with assessing whether the target population is being affected in any way by the introduction and implementation of the policy. There is also concern with the impact of the program on the original problem being addressed for it is important for both policy level managers and policy designers to ascertain whether target populations are appropriately receiving delivery of a program.

 Theoretical goals of the program or policy.

 The actual goals.

 Program or policy objectives.

 Program or policy results and whether they are intended or unintended, positive or negative, in effect.

**Cost-Benefit Analysis:**

Simply stated, a cost-benefit analysis is the comparison of the costs associated with a policy or program to the benefits generated by the policy. All too often the cost-benefit analysis technique is used because actual real-world costs are easy to obtain, quantify, evaluate, and contrast against a variety of metrics or other policies or programs. Unfortunately, many intangible benefits, such as the advantages gleaned by a well-educated society, may not be readily visible for many years to come, and some intangible benefits are impossible to quantify such as the quality of life. Policy evaluators must constantly be aware that the costs and benefits used in any evaluation may not accurately, if at all, represent the real impact of a given policy or program. Instead, a cost-benefit analysis should be employed as one of several methods used to determine the efficacy or efficiency of government action.

 A method with which to evaluate and assess the effectiveness of a policy's costs, benefits, and outcomes

 For certain types of programs, such as education or the environment, one could argue that the real benefits do not materialize for years or decades.

**9.1.3EVALUATION CRITERIA**

**1. Technical Analysis:** - whether the policy outcome will achieve its objectives.

i. Effectiveness –whether proposed policy will have its intended effects **Dimension of effectiveness**

a) Direct effectiveness – if a policy directly address a stated objective

b) Indirect impact-policy generates an impact not associated with its objective c) Long-term impact –impacts experienced sometime in future

d) Short-term impact-impacts that are immediate and usually direct.

ii. Adequacy of a policy: –whether the policy alternative is able to solve fully the problem at hand up to the end. Depends very much on availability of resources especially finance.

**2. Administrative ease:**- administrative infrastructure that needs a lot of resources

**-**Spell out clear and attainable objectives.

**3. Political assessment/analysis:-** survivability of policy

a) Acceptability –whether a policy is accepted by those in power

b) Appropriateness- whether a policy is in line with the values of the society

c) Responsiveness – whether the policy will meet their needs.

**4. Economic viability analysis: -** average costs i.e. total costs divided by total output. a) Economic efficiency

b) Cost effectiveness

c) Cost benefit analysis

**5. Equity:** - distribution of goods and services equally among individual groups.

a) Horizontal equity- equal treatment of equals - uniform costs and benefits of public goods

b) Vertical equity- distribution of goods and services to persons in an unequal circumstance.

**9.2 Barriers to Effective Policy Evaluation**

As increasing pressures are brought to bear on the public sector to perform its role more effectively and efficiently, evaluation will probably become an even greater source of conflict. Negative evaluations of a program’s effectiveness and efficiency now will be more likely to lead to the program’s termination than in more affluent times. The content of an evaluation, the values that are contained in it, will affect the final assessment. Evaluation research is now a major industry involving numerous consulting firms, universities, and organizations within government itself. These evaluative organizations will have their own perspectives on what is right and wrong in policy and will bring those values with them when they perform an analysis (Peters, 2007, p. 175).

As such, Peters identifies seven important barriers to effective policy evaluation that can impede the seemingly simple but operationally difficult process of determining what actually occurred as a result of government action and more specifically determining the level of performance of a public policy of program. It is equally important for both policy evaluators and the consumers of policy evaluation to understand the basic nature of these difficulties. Specifically, anyone engaged in policy evaluation must appreciate the degree of bias and unintentional, albeit sometimes intentional, confusion that can occur as a result of the difference between what is being measured during a policy evaluation and what policy-makers thought the policy should achieve. All too often evaluators, administrators, and the public focus on measurement statistics that are easy to obtain but have no real relationship between what has been accomplished compared to what the original intent of the public policy was.

**Barriers to Effective Policy Evaluation**

1. Goal Specification and Goal Change

2. Measurement

3. Targets

4. Efficiency and Effectiveness

5. Values and Evaluation

6. Politics

7. Increasing Requirements for Evaluation (Theodoulou and Kofinis, 2004, pp. 163-174)

**1. Goal Specification and Goal Change:**

Problem identification and policy formulation are extremely difficult for a variety of reasons. Not the least of which include political bias, incomplete information (bounded rationality), misunderstanding of the nature of the problem, individual value bias (social construct theory), plurality of competing interests, and inadequate or inappropriate understanding of potential policy alternatives. As a result of these significant limitations, adopted policy is frequently comprised of vague language, ambiguous, contradictory, impractical, or impossible policy goals. Consequently, the administrative agency tasked with policy implementation may need to fill in the gaps, which may or may not coincide with the intentions of policy-makers. Finally, lawmakers may not provide sufficient if any resources to adequately support a policy initiative. This requires bureaucrats to make programmatic decisions, which will unequivocally impact the efficiency and effectiveness of any policy or program.

**2. Measurement:**

Once policy goals have theoretically been identified, communicated, and programs implemented then some type of measurement instrument must be developed to ascertain the extent to which the goals have been achieved. However, most public problems such as national defense, education, poverty, health care, crime, urban and highway planning, and environmental policy are comprised of policy goals that are extremely difficult to measure directly. Consequently, many surrogate metrics are used to circumscribe the level of effectiveness of programs. Frequently these metrics evaluate outputs such as arrest or conviction rates for example because it is nearly impossible to determine if the right criminal was arrested and convicted, which of course is the goal. If we use the welfare reform example once again we can see that the mere reduction of the number of people receiving welfare benefits because of new program limitations does not mean that poverty has been

eliminated. It simply means that less people are eligible to receive benefits and less people are receiving them. Those individuals who are no longer eligible to receive benefits may very well still be living in poverty and may even been worse off than before because they no longer have government assistance.

Many other factors can also significantly impair the adequate and appropriate measurement of program and policy goals. For example, the time span that many policies require for their full impact to be felt can be a major problem when elected officials or other policy actors are looking for quick answers to support their own policy positions. The awareness of the time span problem often results in the formulation of public policy that will generate quick and measurable results in the short-term but do not necessarily address the real problem over the long haul.

Other measurement problems include the inability to adequately isolate contributing variables of a major public issue such as health care. For example, in poverty stricken areas poor health may be the result of many factors such as poor nutrition, inadequate housing, minimal education, or poor sanitation in addition to a lack of access to quality health care. Therefore, public programs that simply provide some minimal level of access to medical care may have little impact on the overall health of a community because of these other present and contributing factors. However, measurement statistics will frequently focus on the increased availability to health care providers or the number of patient contacts, etc. This data may be valid statistics but it alone does not evaluate the level of success of eliminating the real problem of poor health in a particular community. The important point to remember is that voluminous measurement and statistical data does not in and of itself prove anything if the measurement instruments are evaluating indicators that are not directly related to the problem at hand.

**3. Targets:**

The target population whose behavior is the object of policy action is in many cases as difficult to identify and evaluate as is identifying the problem and formulating policy in the first place. Programs that have significant effects on the population as a whole may not have the desired effects on the more specific target population. For example, the Medicare program was intended, in part, to benefit less-affluent older people, although all the elderly are eligible for it. However, although the health of the elderly population in general has improved the health of the neediest elderly has not improved commensurately. And as the program has been implemented, substantial coinsurance has been required, along with substantial deductibles if the insured enters a hospital, so that it is difficult for the neediest elderly citizens to participate (Peters, 2007, p.

170). In many cases, the need to achieve political feasibility during the policy formulation and legitimation stages of the policy process results in the approval of expanded eligibility for benefits beyond the target population as indicated in the Medicare example just cited. Therefore the remedial intent of the initial policy is diffused amongst a larger group of recipients diluting the ultimate impact of the policy, and making its evaluation more complicated.

**4. Efficiency and Effectiveness:**

The concept of effectiveness can be seen as an emphasis on whether or not a given policy was able to get the job done. The primary question asked when attempting to determine an evaluation of effectiveness is: Did a given policy achieve its stated objectives? Theodoulou and Kofinis believe that the concept of effectiveness helps define whether a specific program or service is achieving the

intended effect and degree of change in behavior sought by the public policy (2004, p. 17). Of course a fundamental assumption underlying the concept of effectiveness is that the stated objectives of a given public policy actually address the problem for which the policy was created. On the surface this assumption seems obvious, however many problems especially social problems have no definitive formulation and hence no agreed-upon criteria to tell when a solution has been found; the choice of a definition of a problem, in fact typically determines its solution (Harmon and Mayer, 1986, p. 9). Many problems faced by institutional policy actors are social in nature and clear cause and effect relationships are difficult to determine and more often than not vehemently disputed. For example, poverty, crime, education, civil rights, immigration, and the environment are just a few of the multitude of policy areas where vigorous and often rancorous debate over the nature of problem identification and policy alternatives is routine. While the academic definition of effectiveness appears to be fairly straightforward and unambiguous, its application can be anything but unequivocal.

Efficiency, on the other hand, can be understood in terms of whether a government program or service is operating at the most optimal level in terms of resources ñ such as time, dollars, or human resources. Put differently, efficiency highlights the importance of whether programs and services are wasting resources (Theodoulou and Kofinis, 2004, p. 17). Whether in oneís personal life, or in the business world, or in government all resources are finite, consequently, it is a normative desire to minimize waste and to get the most benefit from the expenditure of those limited resources.

While efficiency and effectiveness represent two separate and distinct evaluation criterions they are not mutually exclusive. For example, a U.S. GAO report discussing Foreign Food Aid indicates that inadequately planned food and transportation procurement procedures resulted in increased logistics costs thereby reducing the quantity, quality, and timeliness of delivery of food aid to stricken areas throughout the world (U.S. GAO, Oct. 2007). Unfortunately, this is an excellent example of how inefficient procedures reduce the amount of intended aid by increasing the cost of service delivery. Additionally, the GAO report indicates that aid workers have experienced difficulty in effectively delivering the food aid that they do receive via the inefficient delivery system. For example, in many cases throughout the world the target population can be found in war torn areas such as Darfur, Sudan, where 460,000 refugees were unable to receive food aid in July 2006 due to excessive violence. This is a case where U.S. humanitarian organizations were ineffective in the attainment of their goals to deliver even the limited food aid that was available to those in need.

**5. Values and Evaluation:**

What an individual experiences throughout a lifetime of perceptions and experiences creates a strong set of values and beliefs about the world around them. However, this awareness is tempered by limited and incomplete knowledge, but this limitation is frequently unacknowledged by most policy actors throughout the policy-making process. Additionally, value systems are not consistent between individuals, even between individuals who have similar experiences and perceptions. What this means is that each evaluator and reviewer filters evaluation data through their own personal set of values. Organizational members and members of the various professions share similar values all of which can come into conflict with each other and with the values of the client and the public. Assessing a policy is thus not a simple matter of relating a set of known facts about outcomes to a given set of values. As in all aspects of the policy process, the values themselves may be the major source of conflict, and rational argumentation and policy analysis merely the ammunition (Peters, 2007, p. 173).

**6. Politics:**

A significant obstacle to the fair and unbiased evaluation of any policy or program is the political context within which the evaluation is conducted. There will always be political interests who support the findings of an evaluation and those who oppose them regardless of how objectively accurate the data may be. Those who support a given policy or program tend to be supportive of positive evaluations and contest negative findings while those who oppose a specific policy or program tend to endorse negative evaluation results and dispute positive findings. Additionally, many evaluations are performed on short notice, or are undertaken for more ulterior motives such as to provide empirical evidence lending support for decisions that have already been made.

The underlying consideration with this evaluation impediment is the realization that frequently evaluations are conducted for many reasons other than the basic altruistic purpose of ensuring the effective and efficient execution of policy goals.

**7. Increasing Requirements for Evaluation:**

The increased emphasis for greater government performance and accountability, which has escalated significantly over the past 20 years, has concurrently intensified the demand for program and policy evaluation. Unfortunately, this increased demand for objective evaluation data reinforces many of the evaluation impediments highlighted above. For example, the testing requirements of the No Child Left Behind Act (NCLB) have generated considerable debate as to whether or not the test scores required by the program actually represent any indication of improved teaching standards and performance or whether they are even correlated to any increased level of learning on the part of the students. Many opponents of the testing requirements of NCLB state that the educational concentration of the school year is now narrowly focused on the three tested subjects at the expense of other important educational programs such as science, philosophy, history, and the arts. These opponents also emphasize the old adage that states: what gets measured gets done. The point of course is this, just because some output variable is being measured does not mean that the variable has any relationship to the root cause of the public problem or that it is even an accurate representation of program success. In the case of the NCLB the real problem is not poor test scores, it is less than desired intellectual prowess. In fact, some opponents of the NCLB believe that through the limited emphasis on reading, writing, and arithmetic skills, that the NCLB program may in fact be degrading the cognitive capability of future generations of American citizens.

**Essential Activities in the Evaluation Process**

 Identification of goals and objectives of the program or policy to make measurement possible.

 Comprehension of the mission statement or noting the absence of one.

 Construction of an analytic model of what the program or policy is expected to achieve; this includes a set of theoretical propositions about means-ends relationships.

 Development of a research design to distinguish program or policy goals from what is actually achieved.

 Collection of data or actual measurement.

 Analysis and interpretation of data.

**9.4 Internal and External Policy Evaluators**

One of the primary decisions to be made before conducting any type of policy evaluation is to make a determination of who should conduct the evaluation; organizational members, or someone external to the organization. Each option has its own advantages and disadvantages, and as long as the consumers of the evaluation data are aware of who conducted the evaluation and are also aware of the potential limitations of each alternative then neither option has any particular advantage over the other. The specific circumstances surrounding the necessity for any evaluation will have a significant impact on which alternative will be chosen. For example, the time available, the availability of funding, the availability of subject matter expertise, receptivity to the findings of the evaluation, and the availability of administrative support.

**Who Conducts the Policy Evaluation?**

 Internal Evaluation

 External Evaluation

Internal evaluations have numerous advantages particularly their low cost. Additionally, internal evaluators tend to have greater familiarity with the organization itself, the evaluated program and associated policies, the various organizational stakeholders, and of course the targeted population. The major disadvantage to the conduct of an internal evaluation is its actual and perceived bias. There is actual bias because it is human nature for organizational members to perceive program flaws through the lens of their common organizational experiences. Consequently subsequent findings may be diluted or may completely overlook significant problem areas. There is perceived bias inherent in internal evaluations because the subsequent findings will always be suspect for the very reasons just discussed for actual bias.

External evaluations also have a number of advantages the primary of which is the minimization of bias, at least internal bias. The major advantage of external evaluation is that it is perceived to be impartial because evaluators supposedly have no stake in the outcome of the evaluation (Theodoulou and Kofinis, 2004, p. 197). Of course we must always be aware that everyone has some interest and some form of bias. The key is to minimize bias as much as possible and to be aware of its existence when evaluations are being developed and the subsequent data is being analyzed. An additional advantage to using external evaluators is that they are not part of the culture of the organization, program, or policy being evaluated and their professionalism, previous experiences, education, values, and perceptions enables them to offer a totally different perspective to problem identification and potential remediation. One of the major disadvantages to the use of external evaluators is that they are costly, especially when compared to the option of conducting an internal evaluation, assuming that reasonably competent people are available within the organization. Another major disadvantage is time. External evaluations take more time because the evaluators need to immerse themselves into the organization or program to learn as much as they can about what the organization, programs, and policies that they are evaluating. Additionally, the evaluators may experience resistance from organizational members who may view them as a threat and therefore withhold critical information.

Finally, the findings of external evaluations may not be well-received by stakeholders who have something to loose, or the findings may be dismissed as being superficial due to a lack of program or policy understanding.

**Who Conducts the Policy Evaluation?**

 Wilson's **first law** is that **all** policy interventions in social problems **produce the intended effect**—if the **research is carried out by those implementing the policy** or by their friends.

 Wilson's **second law** is that no policy intervention in social problems **produces the intended effects**—if the **research is carried out by independent third parties**, especially those skeptical of the policy.

**Internal and External Policy Evaluators**

One of the primary decisions to be made before conducting any type of policy evaluation is to make a determination of who should conduct the evaluation; organizational members, or someone external to the organization. Each option has its own advantages and disadvantages, and as long as the consumers of the evaluation data are aware of who conducted the evaluation and are also aware of the potential limitations of each alternative then neither option has any particular advantage over the other. The specific circumstances surrounding the necessity for any evaluation will have a significant impact on which alternative will be chosen. For example, the time available, the availability of funding, the availability of subject matter expertise, receptivity to the findings of the evaluation, and the availability of administrative support.

***Review Questions***

1) Discuss public policy change and termination

2) Explain the barriers to effective public policy evaluation

3) Briefly describe the evaluation criteria as applied to public policy

4) Discuss the factor necessitating a policy change

5) Why is it important to measure policy impact?

**REFERENCE FOR FURTHER READING**

William K. Bellinger (2007) *The Economic Analysis of Public Policy* Routledge

**TOPIC 10: CASE STUDY: DEVELOPMENT PLANNING**

**10.1 Case Study of a Private and Non-Government Development Plan**

**10.1.1 USAID: The Kenya Country Development Strategy**

Kenya is an anchor country for President Barak Obama’s new strategy for sub-Saharan Africa, and for United States government (USG) and United States Agency for International Development (USAID) initiatives in food security, trade, climate change, maternal and child health, Human Immunodeﬁciency Virus / Acquired Immune Deﬁ ciency Syndrome (HIV/AIDS), malaria, education, biodiversity, and energy. The partnership goes beyond the borders of Kenya, to include cooperation on countering violent extremism emanating out of Somalia, building resilience to drought emergencies throughout the Horn of Africa, and supporting Kenya’s leadership in African regional organizations such as the East African Community.

With the historic 2013 elections declared peaceful, transparent and credible, Kenya now faces a vital ﬁve-year time period in which to implement a broad array of demanding and complex reforms. These include a comprehensive devolution of power and authority under the new constitution; economic reforms to accelerate growth, create jobs, reduce corruption and poverty, and expand domestic and international markets; and development of sustainable systems to ensure that all its citizens are healthy and educated with the skills and knowledge to effectively participate in the transformation of the country’s economy and governance.

This dynamic transformation requires USAID/Kenya to embrace a new business model for implementing the FY 2014-2018 Country Development Cooperation Strategy (CDCS). Partnerships will be more strategic, mature, and mutually accountable; new and innovative alliances with the private sector and other donors will be pursued to leverage resources, impact and expertise; Kenya can and should exert greater leadership and take greater responsibility for its own development; and USAID Forward and collaborative learning approaches will be applied to adapt and respond to change. This transformational business model is consistent with Vision 2030, Kenya’s long-term development blueprint. It will help transform Kenya into a globally competitive and prosperous country for all by using more innovative approaches to development.

However, the development context in Kenya is unstable and marked by numerous complex challenges. These include a poor enabling environment for economic growth; half of the population living in poverty with limited access to basic services; chronic drought and food insecurity; stubbornly high maternal and under-ﬁve mortality rates; weak rule of law allowing corruption and a culture of impunity to ﬂourish; natural resource degradation; increased radicalization; and a growing youth population with limited employment options putting pressure on social systems. It is these challenges that Kenya, with its newly elected county ofﬁcials and emerging democratic institutions, must address to make progress towards its Vision 2030 goals.

### The Kenya Country Development Cooperation Strategy

Why has Kenya been unable to take advantage of its abundant ﬁnancial, human and natural resources to achieve economic growth and prosperity? Political economy analyses conducted by the Department for International Development (DFID) (2004), the Drivers of Accountability Program (2012), and the USAID Devolution in Kenya (2011) study cite the corrosive link between income inequality and political and economic interests. The local political and business elite have ruled Kenya since independence, operating through patronage politics, ethnicity, and personal ties. Centralized power and a lack of transparency have been a fact of life. Corruption is pervasive and entrenched at all levels due to a complex business regulatory environment, low rule of law, and an opaque political process and system. However, the impetus for change has reached a critical point. A popular vision for change exists, with robust human and economic capacity and strong political support for it.

The time is ripe for a new USG strategy in Kenya. USAID/Kenya is positioned to play a catalytic role in accelerating growth and opportunity while reducing extreme poverty by building on over 50 years of partnership, the momentum of a new constitution, and a clear national vision.

The sectors in which USAID/Kenya works continue to be relevant, and will not dramatically change. But the approach to the work will – with increased collaboration, greater involvement of local organizations and the private sector, frank and open dialogue, greater innovation in implementation mechanisms and more emphasis on sustainability. There are enormous risks as Kenya’s government, private sector and people – and its development partners – make course corrections and ﬂesh out the provisions of the new constitution. Flexibility is essential.

Kenya’s 2010 constitution marks a critical juncture in the nation’s history. It responds to past imbalances and perceived injustice by drawing power away from the center toward the people. It is widely perceived by Kenyans from all walks of life as a new beginning, and provides a once in a generation opportunity to address diverse local needs, choices, and constraints with devolved government and reforms affecting land, rule of law, and gender. However, the enactment of legislation envisaged by the Supreme Court’s advisory to give full effect and provide mechanisms by August 2015 for the actualization of the two-thirds gender rule in elective bodies remains a pressing need. How Kenya’s newly elected executives and constituent assemblies develop, interpret, and use their authorities and the systems they establish will create the enabling environment for future stability and growth. Good governance is indispensable in providing a level playing ﬁeld in terms of access to quality health and education services, energy, and water and sanitation that are critical for not only boosting the potential for economic growth but also for reducing inequality and the prevalence of extreme poverty in society.

USAID/Kenya used an ambitious participatory process of internal and external consultations in this dynamic environment to inform the CDCS Results Framework and give it a “Kenyan Voice”. Extensive internal small group discussions on the cross-cutting drivers and principles of the CDCS identiﬁed three key themes – equity and equality, participation, and empowerment and ﬁve principles – youth, devolution, resilience, peace and security and gender that permeate the strategy. Eight potential development objective areas evolved from this process, which after further discussion and debate led to the three Development Objectives (DOs) that integrated working groups have reﬁned into the Results Framework presented in this strategy. The internal consultations have been complemented by an equally ambitious external consultation agenda, seeking input from a wide range of public and private stakeholders, youth, women and donors on critical themes and issues related to Kenya Vision 2030, and on how the USG might best respond to the dynamics of Kenya’s current economic, social, and political reality. They almost universally identify support for devolution and implementing the constitution as the top priority for USG assistance. They also consistently reveal broad skepticism regarding the executive branch’s commitment to decentralization, the likely tensions between the national government and the counties, and the need to aggressively monitor progress on devolution and the basic assumptions of government commitment.

The Kenya CDCS Results Framework embraces the current dynamic situation with an aggressive and ambitious strategy that validates the aspirations of Kenya’s people, pursues a more mature donor relationship with Kenya’s government, and aims at achieving true transformational change. Business as usual is not an option. The situation demands more, Kenyans expect more, and USAID/Kenya is determined to respond.

**10.2 Case Study of Government Development Plans**

**10.2.1 Poverty Reduction Strategy Paper (PRSP)**

Poverty Reduction Strategy Papers (PRSP) describe a country's macroeconomic, structural, and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs. PRSPs are prepared by governments through a participatory process that involves civil society and development partners, including the World Bank and the International Monetary Fund (IMF).

Poverty Reduction Strategy Papers provide the basis for World Bank and IMF assistance as well as debt relief under the HIPC (Heavily Indebted Poor Countries) Initiative. PRSPs should be country-driven, comprehensive, partnership-oriented, and participatory. A country only needs to write a PRSP every three years; however, changes can be made to the content of a PRSP using an Annual Progress Report

Poverty Reduction Strategy Papers (PRSP) are prepared by the member countries through a participatory process involving domestic stakeholders as well as engaging development partners, including the World Bank and International Monetary Fund. Updated every three years with annual progress reports, PRSPs describe the country's macroeconomic, structural and social policies and programs over a three year or longer horizon to promote broad-based growth and reduce poverty, as well as associated eng financing needs and major sources of financing. Interim PRSPs (I-PRSPs) summarize the current knowledge and analysis of a country's poverty situation, describe the existing poverty reduction strategy, and lay out the process for producing a fully developed PRSP in a participatory fashion.

**10.2.2 Kenya’s Vision 2030**

**KENYA VISION 2030**

*Kenya Vision 2030* is the country’s development blueprint covering the period 2008 to 2030. It's objective is to help transform Kenya into a, “middle-income country providing a high quality life to all its citizens by the year 2030”. Developed through an all-inclusive and participatory stakeholder consultative process, the Vision is based on three “pillars”: the *economic*, the *social* and the *political*. This Vision's adoption comes after the successful implementation of the [Economic Recovery Strategy for Wealth and Employment Creation](http://siteresources.worldbank.org/KENYAEXTN/Resources/ERS.pdf) [(ERS),](http://siteresources.worldbank.org/KENYAEXTN/Resources/ERS.pdf) responsible for the country’s GDP growth from a low of 0.6% and gradual rise to 6.1% in 2006.

The Kenya Vision 2030 is to be implemented in successive five-year Medium-Term Plans, with the first such plan covering the period 2008 – 2012. At an appropriate stage, another five-year plan will be produced covering the period 2012 to 2017, and so on till 2030. As the country makes progress to middle-income status through these development plans, it is expected to have met its Millennium Development Goals (MDGs) whose deadline is 2015. Some of the goals have already been met. The Vision 2030 spells out action that will be taken to achieve the rest.

**Foundations**

 Macro-economic stability for long-term development

 Continuity in Governance reforms

 Enhanced Equity and wealth creation opportunities for the poor

 Infrastructure

 Energy

 Science, Technology and Innovation (STI)

 Land Reform

 Human Resources Development

 Security

**Economic Pillar**

 **This aims to improve the prosperity of all Kenyans through an economic development programme, covering all the regions of Kenya**.

 It aims to achieve an average Gross Domestic Product (GDP) growth rate of 10% per annum beginning in 2012. To achieve this target, Kenya is continuing with the tradition of macro-economic stability that has been established since 2002. It is also addressing other key constraints, notably, a low savings to GDP ratio, which can be alleviated by drawing in more remittances from Kenyans abroad, as well as increased foreign investment and overseas development assistance (ODA).

 Delivering the country’s ambitious growth aspirations required a rise of national savings from 17% in 2006 to about 30% in 2012. It was also found necessary to deal with a significant informal economy employing 75% of the country’s workers.

 The [informal sector is](http://en.wikipedia.org/wiki/Informal_sector) being supported in ways that will raise productivity and distribution and increase jobs, owner’s incomes and public revenues.

 the country is continuing with the governance and institutional reforms necessary to accelerate economic growth.

 others critical problems being addressed include poor infrastructure and high energy costs.

 **the six key sectors described below are being given priority as the key growth drivers for achievement of the economic vision:**

 Tourism

 Increasing value in Agriculture

 a better and more inclusive wholesale and retail trade sector

 manufacturing for the regional market

 BPO

 Financial Services

**Social Pillar**

Through this strategy, **Kenya aims to build a just and cohesive society with social equity in a clean and secure environment**. This **strategy makes special provisions for Kenyans with various disabilities (PWDs) and previously marginalized communities**. These policies (and those in the economic pillar) are equally anchored on an all-round adoption of science, technology and innovation (STI) as an implementation tool.

Key sectors:

 Education & Training

 The Health System

 Water and Sanitation

 The Environment

 Housing and Urbanisation

 Gender, Youth and Vulnerable Groups

 Equity and Poverty Elimination

**Political Pillar**

**This aims to realise a democratic political system founded on issue-based politics that respects the rule of law, and protects the rights and freedoms of every individual in Kenyan society**. It hopes to transform Kenya into a state in which equality is entrenched, irrespective of one’s race, ethnicity, religion, gender or socio-economic status; a nation that respects and harnesses the diversity of its peoples’ values, traditions and aspirations for the benefit of all its citizens.

The political pillar vision for 2030 is “a democratic political system that is issue-based, people-centered, result-oriented and accountable to the public”. An issue-based system is one in which political differences are about means to meet the widest public interest. “People- centered” goals refer to the system’s responsiveness to the needs and rights of citizens, whose participation in all public policies and resource allocation processes is both fully appreciated and facilitated. A result-oriented system is stable, predictable and whose performance is based on measurable outcomes. An accountable system is one that is open and transparent and one that permits free flow of information. This vision is expected to guarantee Kenya’s attainment of the specific goals outlined under Vision 2030’s economic and social pillars

To meet objectives outlined in the economic and social pillars, Kenya’s national governance system is being transformed and reformed to acquire high-level executive capability consistent with a rapidly industrializing country. The country is adopting a democratic decentralization process with substantial devolution in policy-making, public resource management and revenue sharing through devolved funds. This has been achieved through a delivery of a new constitutional dispensation which came in effect in August 2010. **Transformation within Kenya’s political governance system under Vision 2030 is expected to take place across six strategic initiatives**, whose overarching visions, goals and specific strategies for 2012 are as follows:

 Rule of Law

 Electoral & Political Processes

 Democracy and Public Service Delivery

 Transparency and Accountability

 Security, Peace building and conflict management

**Guiding Principles**

To ensure that economic, social and political governance gains made under the Vision are neither reversed nor lost as a result of change in ruling parties, the following eight governance principles will be adhered to:

1. **Constitutional supremacy**: Supremacy of the constitution shall be respected at all times. This will guarantee individual rights as stated in the Bill of Rights and the property rights of Kenyan and international investors.

2. **Sovereignty of the people**: This calls for the acknowledgment of the fact that in a constitutional democracy like Kenya, the government derives all its just powers from the people it governs.

3. **Equality of citizens**: Kenya shall be a nation that treats its women and men equally.

It will not discriminate any citizen on the basis of gender, race, tribe, religion or ancestral origin.

4. **National values, goals and ideology**: In the pursuit of economic, social and political aspirations, Kenyans shall formulate and adopt a core set of national values, goals and a political ideology supportive of Vision 2030, these will include acknowledgement of the significance of God to the Kenyan people and an affirmation of the religious, cultural and ethnic diversity of Kenyans. It will also affirm the indivisibility of Kenya as a nation and her commitment to democracy and the rule of law.

5. **A viable political party system**: Kenya aims at a **strong and viable political party system that will be guided by policy and ideological differences rather than region of ethnicity**. Under Vision 2030, **founding of political parties on religious, linguistic, racial, ethnic, gender, corporate or regional basis will be prohibited**. This is in line with the just enacted Political Parties Bill. All political parties will be obliged to subscribe to a legally-binding Code of Conduct. There will be a clear definition of circumstances under which a party may be de-registered or reinstated. The delegation of state functions to (or the use of state resources by) political parties will not be permitted. Political parties will be required to publish their manifestos before participating in elections.

6. **Public participation in governance**: Kenyans shall appreciate the values of tolerance and respect for differences in opinion in a competitive society.

7. **Separation of powers:** The implementation of Vision 2030 depends on the enhancement of the capacity of the three arms of government (Legislature, the Executive and the Judiciary). These institutions are independently functioning in a manner that enhances the implementation of Vision 2030.

8. **Decentralization**: Vision 2030 uses devolved funds to strengthen decentralization of development projects at the community level. Improved planning and coordination of such projects at the local level will be accorded priority in realizing this goal.

**Implementation**

A Semi-Autonomous Government Agency (SAGA) with the requisite capacity has been established to oversee the implementation of all the Vision 2030 projects. The agency works closely in collaboration with government ministries and departments as well as the private sector, civil society and other relevant stakeholder groups. The strategies to deliver the 10% annual growth by 2012 is being executed through concrete flagship projects across the priority sectors in all the three pillars of the Vision. The projects are original large-scale initiatives that look beyond their immediate locality and are capable of having an impact on the entire nation. Flagship projects form part of the national development with complementary projects being undertaken in line with the Medium-Term Plans, the Budget Outlook Paper, and the Medium- Term Expenditure Framework.

During the life of the Vision, strategies and action plans are expected to be systematically reviewed and adjusted every 5 years in order to effectively respond to the changing global, regional and local environment. The Vision 2030 is being delivered over many different horizons and flagship projects, each with defined goals. Following the expiry of the ERS in December 2007, the first part of Vision 2030 is now being implemented under the 2008-

2012 plan.

**Vision Delivery Secretariat**

The Kenyan Government has created a Vision Delivery Secretariat (VDS), which provides strategic leadership and direction in the realization of the Vision 2030 goals to ensure the timely implementation of the flagship projects. The Secretariat is managed by the Director- General leading a team of four Directors and Secretariat members, under the overall guidance of the Vision 2030 Delivery Board that plays a policy-making and advisory role.

