

# **Understanding Politics and Public Policy**

Foundations and Core Concepts

POSC 315: Introduction to Public Policy

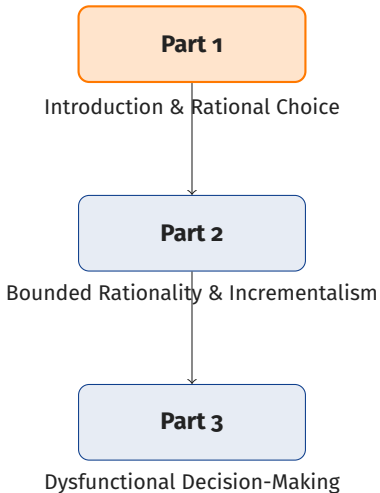
Lecture 8-1

Decision Making (Part 1 of 3)

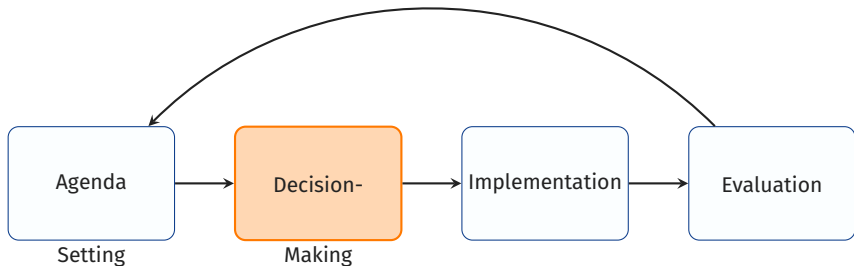
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California State University, Fullerton

# Today's Focus



# The Decision-Making Process



- Policy design in the **Alternative Selection** stage requires decisions about what “tools” to adopt
- Decision-making also permeates ongoing policy design, budgeting, implementation, and evaluation

# Understanding Decision Points

## Key Considerations

- Decisions occur throughout the policy process
- Multiple decision points at each stage
- Different actors involved at different points

## Complexity Spectrum

**Complex:** What is the best way to reduce traffic fatalities?

**Simple:** Should we build a new bridge?

Our constitutional system intentionally slows policy-oriented decision-making.

# Decision-Making Theories

Three primary theoretical frameworks to understand how decisions are made in policy contexts:

## **Rational Choice**

Optimizing decisions based on complete information

## **Bounded Rationality**

Satisficing with limited information & capacity

## **Incrementalism**

Making small changes from the status quo

# Rational Choice Theory

## Foundation

The Rational-Comprehensive Model is the starting point for many decision-making theories.

## Key Assumptions

- All important factors are considered
- Analysis of goals separate from tools
- Goals are isolated before tools are considered

## Definition of “Good” Policy

A *good* policy is the *technically* best policy that maximizes benefits and minimizes costs.

# The “Economic Man”

Rational Choice depends on the existence of a perfectly rational actor:

## **Complete and Perfect Information**

- About problems
- About causes and effects
- About consequences of alternatives
- About consequences of inaction

## **Perfect Calculation Ability**

Can accurately weigh all costs and benefits

# Optimization in Rational Choice

## Core Principle

- The rational actor chooses the option that **maximizes benefits** and **minimizes costs**
- All alternatives are considered comprehensively
- Decisions achieve maximum social gain

## Limitations of Rational Choice

- Information is never complete or perfect
- Costs and benefits are difficult to predict accurately
- Decision-makers face resource constraints
- Bureaucracy helps make the model more realistic



# Six Steps to Rational Choice

1. **Define the problem** - What exactly are we trying to solve?
2. **Identify decision criteria** - What factors matter in making this decision?
3. **Weight the criteria** - How important is each factor?
4. **Generate alternatives** - What are all possible solutions?
5. **Rate alternatives** - How does each solution perform on each criterion?
6. **Compute optimal decision** - Which solution maximizes benefits?

# Rational Choice: Example

## Case: Highway Safety Policy

### Problem Definition

Reduce traffic fatalities on interstate highways by 50% within 5 years

### Criteria & Weights

- Effectiveness (40%)
- Implementation cost (30%)
- Time to implement (20%)
- Public acceptance (10%)

### Alternatives Analyzed

1. Lower speed limits
2. Increase enforcement
3. **Mandate vehicle safety features**
4. Improve road design
5. Enhance driver education

### Decision

After comprehensive analysis, the highest-scoring option is selected as it provides optimal benefit-cost ratio.

## Rational Choice: Visualization

Alternatives	Effectiveness	Cost	Time	Score
Speed limits	6	8	9	6.8
Enforcement	7	4	7	6.2
Safety features	9	6	8	7.8
Road design	8	3	4	5.6
Driver ed	5	9	6	6.2

# Key Takeaways: Rational Choice

## Strengths

- Comprehensive analysis
- Maximizes benefits
- Systematic approach

## Limitations

- Perfect information unrealistic
- Time and resource intensive
- Difficult to predict outcomes

# Looking Ahead



## Next time we'll explore:

- Herbert Simon's "Administrative Man"
- The concept of "satisficing"
- Charles Lindblom's "Muddling Through"
- When incremental change makes sense