

Policy making contexts

The policy-making context refers to the set of political, social, economic and cultural factors that shape policy processes. They include, among other things, the influence of vested interests in policy processes; the professionalism and capacities of public administration, including levels of corruption; the availability of monetary resources, for example, through government taxation and borrowing, for public spending; and the beliefs, ideologies and frameworks that make some interventions appropriate and others impossible. These factors vary from one country to another, having been shaped by history, and change over time – as such, they present challenges to international comparative policy analysis and policy transfer. They are important to consider in policy analysis and in policy design: in the former, as factors for explaining policy success and failure; and in the latter, as barriers or enablers that need to be taken into account in the pursuit of particular policy goals and means.

Innovation policy is broad in scope – the range of topics covered in this Platform is testament to this – and can be framed as a set of partly overlapping and interrelated policy arenas focused on topics like education, R&D and SME policy. Besides public administration officials, such policy arenas include those who are targeted by policy intervention and those who are set to gain or lose. Policy arenas therefore include numerous interest groups competing and collaborating to shape the policy agenda. The depth and breadth of such arenas varies by country and by topic. For some topics, certain interest groups are well-organised and well-resourced and can wield considerable influence. For example, the economic weight of large industrial firms means they can dominate policy arenas concerned with industrial policy; and groupings of researchers, organised, for instance, in learned societies, often dominate discourse on research policy. For those engaged in policy analysis and design work, it is useful to map out the various interests at play in policy arenas and to gain an understanding of the strategies and tactics they employ to advance their agendas.

The concept of the policy arena is useful for broadening policy perspectives beyond a narrow focus on government ministries and agencies as the sole formulators and implementers of innovation policy. Yet, at the same time, it is important not to downplay the importance of bureaucratic interests and the capabilities of public administration. At a general level, such capabilities include abilities to effectively formulate and implement policies and to learn from this process and its outcomes with a view to improving future policy practices. The type and level of capabilities required will depend to some extent on the technicalities associated with policy agendas and instruments, as well as the nature of the policy arena. For example, some policy instruments are difficult to implement without advanced technical capabilities; and some policies are difficult to formulate and implement without the skills to align vested interests in policy arenas. These sorts of capabilities are not easy to acquire and require considerable time to accumulate. The price of not having such capabilities can be severe, however, with even the best-intentioned policies foundering in the hands of incapable administrators.

An often overlooked, yet critical factor in shaping policy-making contexts is the influence of dominant ideas and conceptual models in shaping policy discourse. Ideas and belief systems play a fundamental role in innovation policy, providing the foundations upon which policy intervention rationales are built. Several ‘levels’ of ideas exist: some are specific to innovation policy, and include, for example, the ‘linear model’ of innovation, the concept of ‘national innovation systems’, etc; others are more general in nature, and include overarching belief systems on the role of government in intervening in the economy, the principles of ‘New Public Management’, etc.

Finally, levels of public spending devoted to supporting innovation will have considerable bearing on the scope of policy agendas and their success. In many countries, particularly those less developed, innovation policy remains under-developed and under-resourced. This constrains the policy goals that can be reasonably pursued and the types of policy instruments available for use.

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