

# Think piece

## **What Works and learning from failure**

Kenneth Gibb, Professor in Housing Economics (Urban Studies) at the University of Glasgow and Co-Director of What Works Scotland, considers what can be learnt from policy failure.

What Works Scotland aims to improve the way local areas in Scotland use evidence to make decisions about public service development and reform.

We are working with Community Planning Partnerships involved in the design and delivery of public services (Aberdeenshire, Fife, Glasgow and West Dunbartonshire) to:

- learn what is and what isn't working in their local area
- encourage collaborative learning with a range of local authority, business, public sector and community partners
- better understand what effective policy interventions and effective services look like
- promote the use of evidence in planning and service delivery
- help organisations get the skills and knowledge they need to use and interpret evidence
- create case studies for wider sharing and sustainability

A further nine areas are working with us to enhance learning, comparison and sharing. We will also link with international partners to effectively compare how public services are delivered here in Scotland and elsewhere. During the programme, we will scale up and share more widely with all local authority areas across Scotland.

WWS brings together the Universities of Glasgow and Edinburgh, other academics across Scotland, with partners from a range of local authorities and:

- Glasgow Centre for Population Health
- Healthcare Improvement Scotland
- Improvement Service
- Inspiring Scotland
- IRISS (Institution for Research and Innovation in Social Services)
- Joint Improvement Team
- NHS Health Scotland
- NHS Education for Scotland
- SCVO (Scottish Council for Voluntary Organisations)

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This Think Piece is one of a series of papers that What Works Scotland is publishing to share evidence, learning and ideas about public service reform.

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## Introduction

The ethos of What Works Scotland is to seek out evidence around relevant areas of public service reform to understand why certain processes, interventions and policy approaches work and whether they may contribute to overarching goals of Scottish public policy (such as the Christie Principles). The Holy Grail is whether such local knowledge or success in areas like prevention can be spread across Scotland and render sustainable system-level change.

Now that statement does contain many arguable assumptions and contestable propositions - no-one reasonably would deny that. In this think piece I want to consider just one such questionable dimension - that we may in fact learn much from a systematic approach to policy failure, which is linked to but is more than just the mirror of the conditions for policy success (McConnell, 2012; Rutter, et al, 2012; King and Crewe, 2013; Shuck, 2014).

Gibb (2015) is an extension and application of these ideas to the recent UK bedroom tax. This think piece draws on the literature underpinning the conceptual part of that paper.

## Unpacking failure

In their recent book on national government policy blunders, King and Crewe (2013) acknowledge the difficulty defining what failure actually looks like. They point to policies that generate high costs relative to benefits, where policymakers refuse to acknowledge problems, either actively or passively ignoring evidence, often failing to achieve fundamental objectives and equally often ultimately abandoning or reversing the policy itself. While some of their illustrations are self-evidently failures, such as the poll tax or the involuntary exit from the ERM in 1992, other policy areas might be considered, arguably, but are not. For instance, wasn't monetarism a failure in its own terms, in the sense of the economic and social cost and it was ultimately abandoned?

What is clear from the comparatively small literature in this area is that policy failure is neither well-defined nor is it a codified part of academic policy analysis. There is recent work by McConnell (2010), Schuck (2014) and by the aforementioned King and Crewe (2013), as well as the longer established wider field of the economics of public choice (see Mueller, 2003).

Nonetheless, policy failure is an important concept waiting further development (Schuck, 2014). After all, there must be accountability for the making and implementing of policies that consume resources and impact on society. Intuitively, policies should be effective in terms of meeting their objectives, they should be efficient in terms of minimizing waste of resources, they should not be detrimental to the performance of the economy and not produce adverse consequences for those who rely on public services. Schuck (2014) argues that failure matters because it 'poses many risks to social well-being' (p.10).

Achieving a better understanding of policy failure in a systematic way implies the need to better understand the sources of policy success - but that is equally challenging (McConnell, 2010; Rutter et al, 2012; Schuck, 2014). What

does success look like? Rutter et al (2012, p.7) report a series of six UK policy reunions that look back at what made specific examples of policy success occur (for example, we might draw on local successes such as the Scottish homelessness legislation). Seven common factors are identified by Rutter, et al:

1. Policymaking takes place in a context that fully understands what went on in the past and learns effectively from previous failure.
2. The policy process is opened up to different stakeholders and has a significant degree of transparency.
3. Successful policies tend to be rigorous in analysis and their use of evidence.
4. Policy successes take time, they are often piloted and lessons learned, and they build in scope in a way that permits future adaptation.
5. They recognize the importance of policy leadership by individuals and that strong personal relationships can make a key difference.
6. Policies that work often create, to more or less of an extent, new institutions to overcome policy inertia that otherwise would make them difficult to implement and sustain.
7. Active support for the effective new policy has a wider constituency than simply the politicians, policy makers and advisors within Government departments.

Schuck (2014), examines US domestic/federal policy making (and its literature), and argues that policy successes possess six necessary attributes, several of which are very similar to those proposed by Rutter, et al (2012).

1. The successful policy creates incentives and these must be able to result in the desired behaviours both by the policy makers themselves and the actors they are aimed at.
2. The policy should be rational instrumentally in terms of the selection of appropriate means to achieve given policy ends. Welfare economists often argue that the identification of specific market failures within social policy do not necessarily result in the appropriate targeted form of intervention to counter that form of failure (e.g. using legal forms of regulation rather than for instance direct public provision of the activity; although this might be quite appropriate in other circumstances).
3. The required information to make the policy work from both the producer and consumer point of view should be relevant, accurate, unbiased and up to date.
4. The new policy to succeed must be sufficiently adaptable to the changing or dynamic environment it operates within.
5. Critically, a successful policy must be credible to those who need to be induced to invest their own resources and 'own' the new policy.
6. The policy must be sufficiently well managed to minimise waste, fraud and abuse.

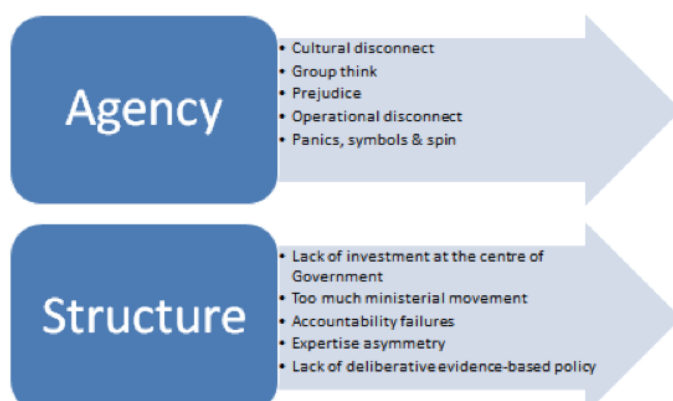
McConnell (2010) argues that many policy evaluations work from excessively narrow conceptions of success or failure. Instead, we should think of policy success and failure as a continuum for what is better considered to be several dimensions of a given policy under analysis. Multiple policy attributes are grouped around three clusters that capture effectiveness in terms of *process*, *programs* of public policy and politics. For each cluster, performance is scored somewhere along the spectrum of success through to failure. There are also several criteria specific to each dimension (e.g. in the case of the *process* dimension, this would include the extent to which the policy process confers legitimacy on the policy itself, helping to build a sustainable coalition and thereby reducing opposition).

## Blunders

King and Crewe (2013) provide an entertaining political history of 12 recent UK policy blunders within a framework of structure (institutional or systemic weaknesses) and agency (human error). Key human error problems are: a sense of cultural disconnect between the policymakers and the policy's intended recipients; the uncritical development of group think and the consequent absence of a devil's advocate voice; prejudice or an overbearing ideological blindness that implies insufficient pragmatism; and, 'panics, symbols and spin' where policy making is led by the news cycle and the populist media.

King and Crewe also identify systemic features of policy failure, such as insufficient investment at the centre of government i.e. the prime minister's (or equivalent) office is too small in terms of initiating, implementing and monitoring policy. They also highlight too much ministerial movement between portfolios and the consequent desire of ministers to want to make short term impacts. There are systematic accountability failures often associated with the supposed division between strategy and operations, and insufficient parliamentary or democratic accountability/scrutiny of policy making and its leaders. They also focus on asymmetries of expertise - the principal agent problem between policymakers and their consultants. Finally, they argue that there is often a lack of deliberative, evidence-based policy making e.g. the failure to systematically use well-designed pilots. A simplified version of the implicit framework used by King and Crewe is shown in the diagram below.

## Explaining Policy Blunders



## Policy failure - Schuck's contribution

Schuck (2014) identifies ten key sources of policy failure.

1. If policies are not rational and incentives not well thought through, we may find perverse and unwanted **incentive effects** such as moral hazard and adverse selection undermining objectives on the ground.
2. Of course, economists increasingly think there are important examples of purposive **irrationality** (Schuck calls this collective irrationality) or evidence of heuristic biases or bounded rationality in decision making, problems associated with loss aversion and present bias that lead to inconsistency in long term decision making. This is far removed from premising a policy on the substantive rationality associated with mainstream economic analysis. If the behavioural economists are closer to the truth in a specific example then the policy may be fundamentally flawed before it gets off the drawing board.
3. The mirror of the need for the effective use of information to lubricate the new policy is that inadequate, costly and out of date policy **information** will likely damage the prospects of a policy working and being implemented effectively.
4. Equally, if the policy is characterized by **inflexibility** and incapacity to adapt to a dynamic context or environment, then it will probably not succeed in a sustainable sense.
5. A key idea is **incredibility** – a lack of credibility on the part of both government or policymakers that they will commit to sustaining a policy and the private actors who also need to commit to make it work.
6. Naturally, if there is evidence or a likelihood of mismanagement in terms of waste, fraud and abuse, then there will be likely policy failure.
7. Schuck makes the point, alluding to the risks of interventions in areas which involve powerful **market forces**, that policymaking must recognize the power of market forces to overcome, go round or otherwise circumvent policy or intervention intentions. How, for instance, will wider labour markets or real estate markets respond to new regulations? In the case of the UK's welfare reforms, can we safely assume (as the Government did, prior to the legislation, in their Impact Assessments) that landlords will react to incentives through well-controlled predictable market responses?
8. A major area of difficulty, still often not sufficiently developed by policy makers, concerns multiple **implementation failures**. This may arise where there are multiple delivery participants in a policy who can have inconsistent perspectives on the policy and its delivery, or where the policy in question may require to pass complex, multiple decision points, which may lead to delay problems.
9. Schuck also argues that legislation cannot always be called on to deliver policy goals. There are **limits to the law** to be effective in different respects and it may also crowd-out low cost co-operative and/or private solutions.

10. Finally, a key argument in the public choice tradition (recognizable from Julian Le Grand's 'knights and knaves, pawns and queens' metaphor) is that there may be independent negative effects from government **bureaucracy**. Schuck argues that there can be structural or endemic features within bureaux which mean senior officers may follow their own objectives or have motives which are not necessarily consistent with public service objectives, which may undermine policy effectiveness.

The approach emerging from these strands attempts to draw on multi-disciplinary strands (political science, economics, law, policy studies and history) to construct a systematic approach to policy failure. However, one might reasonably level two criticisms. First, there is little place here for ideological accounts, for instance, concerning the role of power that help explain why failing policies continue. Second, this 'kitchen sink' approach to filling the analysis tool box from different disciplines may run into methodological problems with conflicting assumptions, methods and wider non-commensurability.

However, and as should be clear from the Shuck analysis, there is something fundamentally robust about starting with a number of relevant disciplines to try to clear a path toward an understanding of why a policy fails and what we might learn from the reasons for failure, as opposed to the dogma or relying on a single discipline and approach within

that discipline to both explain and promote reform ideas for what are often complex, multi-layered wicked issues.

### Applying failure

The study of 'what works' in public policy and systematic reviews of evidence and evaluation, must at their core include a systematic sense of what does not work and why. Learning what goes wrong and why is essential to the careful development of new policies and the wider evolution of and reform to policy delivery. McConnell (2010) and Shuck (2014), in their different ways, clearly see this symmetry in organising multiple conceptions of failure around necessary conditions for policy success.

So there is, it seems, an opportunity to learn from failure for future policy making and indeed to consider those necessary conditions of policy success as a checklist to reduce the effects of uncertain policy environments (see also Gigerenzer, 2014). However, the call for evidencing and evidence-based policy must recognise the likely limitations, in terms of spread and scalability of successful pilots and the treacherous waters of policy transfer (even 'gold standard' RCT evaluations do not always apply beyond their test environments, see: Cartwright and Hardie, 2012). Furthermore, any comprehensive policy failure framework should also include the role and importance of both ideological and situational or contextual drivers.

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