FLAGSTAFF REGIONAL PLAN 2012

MEMO

To: Regional Plan Citizen Advisory Committee

From: Core Planning Team

To assist in discussing the appropriate 'action word' in policy formation, we have borrowed language from Dan A. Cothran, Ph.D., Professor, Dept of Political Science, NAU and prepared the following list:

Staff recommends these words be included in the glossary or definition of terms and used consistently throughout the document.

Inform: Government can give people information and hope they benefit from it (stop smoking) **Educate, Advocate**

Encourage: Government can subsidize an activity and hope to get more of it ("cash for clunkers," private education, recycling) **Subsidize, Support**

Require: Government can require or prohibit an activity (licensing, traffic laws, and regulation) **Mandate, Enforce, Regulate**

Provide: Government can actually provide the activity because it is so important and enough of it will not occur in the absence of government provision (defense, police, and roads). Ideally, government should provide only "public goods," but people will disagree about how much of it.

THE FOLLOWING ARE LIKELY SUBSETS OF THE PREVIOUS FOUR ACTIONS, BUT MUST PRECEDE THEM. THIS REQUIRES BOTH A CAVEAT IN THE POLICY DOCUMENT NOTING A DEFERRAL AND AN INTERIM PLAN.

Petition (not included in Cothran's work): Government can pursue enabling or regulating legislation from the appropriate level of government to enable pursuit of locally desired policy ends that are now legally or financially unattainable. (Implement a local gas tax)

Partner (not included in Cothran's work): A unit of government may lack the authority or means to unilaterally affect policy and depend on the act or partnership of another agency to achieve the policy goal. (Secure long-term open space commitment from federal agency)

SOME THOUGHTS ON PUBLIC POLICY
Dan A. Cothran, Ph.D., Professor Emeritus, Dept of Political Science, NAU

1. What is government? Institutions with a monopoly on the legitimate use of force.

2. Why do we have governments? To do things collectively and coercively that we can't do in any other way (individually, cooperatively, or through exchange). The essence of government is that it is *collective* and *coercive*. That is why we need to be thoughtful about what we ask government to do; it always involves coercion.

3. What is public policy? A *deliberate* course of *action* (or inaction?) followed by government in response to an issue of public concern. "Policy" is deliberate, but not all the consequences are understood, especially at the time of the action. Most political scientists would say that the unintended consequences may be very important, but they are not "policy." Inaction is a "policy" as surely as is action.

4. Different meanings of the word "policy:" When policymakers ask, "What are the policy implications of the information you have given us," what might they mean? Probably they mean, "Based on this new information, what should we do? Should we do nothing different, inform the public better, increase spending in this area, tighten enforcement, pass new laws, or what?

When policymakers ask us the "so what" or policy question, what are some concepts that can help us think a bit more systematically about the subject?

First, recognize that the word "policy" can mean different things, even to the same person. The most common two meanings are **goals** and **means** to achieve goals.

--Policy as Goals: Sometimes we use "policy" to refer to the *goals* that we want to pursue, as in, "It is the policy of this government to improve the transportation system of the city so that traffic flows more smoothly and there is less air pollution."

Specific goals will vary by policy area, but all policy goals can be summed up as **benefits** (what do we hope to achieve?) and **costs** (what will it cost, in every sense?). For education and health, we want access and quality (benefits) at an acceptable price (cost). For transportation, we might discuss benefits and costs in a slightly different way, but all policy goals will come down to benefits (good things) and costs (bad things).

--Policy as Means: Or we might refer to the *means* by which we intend to pursue our goals. How can we achieve the benefits and hold the costs down?
These are sometimes called policy instruments or techniques.

5. What are the major goals of modern government?
Using political terminology, major goals are defense, law and order, defining and enforcing property and contracts, generally establishing the foundations of a market economy, providing public or collective goods, and providing for a money supply.

Using economic terminology, the major **goals** of modern government are:

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PLAN 2012

Efficiency: Making the market work properly. Most Americans, and indeed most of the world, would agree today that the market is the best way to organize an economy that we know about at the present time. It will generally get us the most of what we want at pretty good prices. However, for a market to work properly, certain conditions are necessary. To the extent that any of these conditions do not hold, the market—or an industry—will not perform its function, which is to provide good products at good prices.

  Information: both producers and consumers need good information. Unfortunately, business often has the incentive to mislead us about their products.

  Competition: each industry must have many buyers and sellers so that none can fix supply or prices. Unfortunately, for various reasons many industries lack real competition; hence government intervenes to enforce competition or regulate monopoly.

  Externalities: Ideally, in a market each transaction should be self-contained, with no "spillovers" onto society, either positive or negative. In "positive" or good spillovers, such as education, government subsidizes or provides it so we get more of it than the market alone would provide. If negative, as in pollution, government regulates it to get less of it and to make the entities involved "internalize" the cost of their actions.

  Public Goods: Some goods are non-excludable and non-exhaustible, hence business will not provide them, or not enough of them. So if the goods are important enough, government takes over or subsidizes their production. E.g., defense, police.

Equity: Overcoming some of the inequality produced by the market

Stability: Moderating some of the inherent instability of a market economy

  Almost every policy goal can be located somewhere in that framework of six reasons for government intervention (equity, stability, and four efficiency goals). This does not mean that we are imposing an economic or monetary model on all policy; it is simply that most of the reasons for government action flow out of our desire to foster a market economy, and other "voluntary" ways to get what we want, and the unfortunate failures of the market economy and of voluntary action in general to do all of the things we want. It is not much of an exaggeration to say that almost all government intervention in a socialist economy is to correct the problems of socialism and almost all intervention in a capitalist society is to correct the problems of capitalism.

6. Policy and political philosophy: While all may agree on the above reasons for government intervention, people will disagree over how much of what type of intervention is best. And while it may be true that generally "liberals" favor more government intervention and "conservatives" favor less, they also differ on *what* they want to be regulated. Today, liberals generally want *economic* behavior to be regulated more and conservatives want *social* behavior to be regulated more. Each will favor "states' rights" when it favors their preferred policies, whether marijuana or guns.

7. Policy Means or Methods
  Policymakers, bureaucrats, and academics categorize policy methods in many different ways, but they all seem to come down to these four types. These are arranged in ascending order of government intervention and coercion.
Inform: govt can give people information and hope they benefit from it (smoking)
Encourage: govt can subsidize an activity and hope to get more of it ("cash for clunkers," Amtrak, private education, recycling)
Require: govt can require or prohibit an activity (licensing, traffic laws, regulation)

Provide: govt can actually provide the activity because it is so important and enough of it will not occur in the absence of government provision (defense, police, roads). Ideally govt should provide only "public goods," but people will disagree about how much of it.

8. Ways to pay for public policies?

Why haven't we included taxation in our list of policy methods? Because taxes are on a different level. They are a means to pursue some of the above more general means. Taxes might be used to inform, encourage, regulate, or provide. In fact, taxes are only one way that government gets the money to do the other things. Again, in ascending order of intrusiveness or coercion, governments might get their funding from:

Gifts: US might give aid to Somalia or the state government might give a grant to a city.

Borrowing: a government might borrow from a bank or issue bonds (GOB v Revenue)

Fees: payment for specific benefit, such as state park admission. Distinction not always clear between fees and taxes, but generally more direct relation betw payment and ben.

Taxes: Many types of taxes, but boil down to three.
    Income: personal, payroll, business income
    Consumption: general sales and specific excise taxes
    Wealth: real property, personal property (auto registration, inventory, etc.)
Most economists who study taxes believe it best to broaden the base and lower the rates.

9. Policy as Problem Solving

We usually turn to government when society wants or needs something and other ways of getting the thing (individual action, voluntary cooperation/charity, or market exchange) are seen as inadequate. Each way of doing things has advantages and disadvantages. To solve a problem or make good decisions, we need (see PS FW):
clear goals
effective means
accountability for results

10. How evaluate success (accountability for results) of our policies [or our diet]? Measure our achievement according to historical, comparative, and ideal standards.
Historical: how are we doing compared to the past? Better than last month or last year?
Comparative: how are we doing compared to our "peers?" AZ near bottom?
Ideal: how are we doing compared to an "idea" that we think is relevant to our situation?

Ideal doesn't mean "perfect," it merely means that in addition to historical and comparative standards, we think about the situation and come up with a standard that we think might be reasonable, given our conditions.