INTRODUCTION

Let us preface the case study presented in this chapter with a more general notion of a “policy problem” and examine how it can be defined. Following the case reading, we can then more comprehensively view the “facts” through the lenses of several techniques of problem definition. These techniques, which are largely applicable to the case study presented here, will also be of use in defining other “messy” or multidimensional and interdependent problems, such as “acid rain” and the Space Shuttle Challenger disaster.

THE CONCEPT OF A POLICY PROBLEM

For decision-makers, what should an appropriate definition of a policy problem contain? To answer this, we need first to recognize three general features of a “problem.” First, policy problems represent “unrealized values, needs or opportunities, which, however identified, may be attained through public action” (Dunn, 1981, p. 98). To produce information on the nature and solution of a problem, one must apply the “policy-analytic procedure of problem structuring,” which Dunn (1981) calls the “most important but least understood aspect of policy analysis” (p. 98). Second, policy structuring cannot be a universal hard-and-fast procedure because of problem complexity and variability. Most real policy problems are “messes” or “systems of external conditions that produce dissatisfaction among different segments of the community” (Dunn, 1981, p. 99). What we are after is an “actionable” statement of issue dynamics from which expenditures can be made, personnel deployed, and procedures developed that will reduce or eliminate the undesirable state of affairs without undue harmful consequences to related activities.

“Messes,” such as health care, urban mass transportation, and poverty, are difficult to resolve by using an analytic method and more often require a “holistic” approach that views problems as inseparable and unmeasurable apart from the larger system of which they are interlocking parts (Dunn, 1981, p. 99). Put another way, policy problems are not conceptual constructs like atoms or cells or parts per million of sulfur dioxide in the air. They are “problematic situations” that are the product of thought acting on the environment. They are artificial in the sense that someone subjectively judges these condi-
tions to be problematic. Their inherent artificiality makes it easier for policymakers to misconstrue the real problem. Separating policy problems into smaller and more manageable ones runs the risk of providing the right solution to the wrong problem. For example, the current problem of what government should do (if anything) about declining U.S. international competitiveness is frequently boiled down to one of foreign access to U.S. technology. But Reich (1987, p. 63) argues that this misconstrues the real problem: “The underlying predicament is not that the Japanese are exploiting our discoveries but that we can’t turn basic inventions into new products as fast or as well as they can.” Defining the problem in this way precludes the policy alternative of holding back basic inventions from foreigners and points toward solutions that give American workers and engineers experience in quickly turning basic inventions into products.

Finally, problem definition is confounded by the reality that the same information can be interpreted differently. Suppose that the number of complaints in your community about dogs roaming free has been rising annually at an increasing rate. Suppose also that the number of impoundments has been increasing at a declining rate. Based on this limited information, what is the “animal control problem”? In contrast with the “regulatory” definition, which focuses on licensing, leashes, fines, and animal contraception (that is, owner-controlled solutions), the “capital investment” definition focuses on the need for a larger and more accessible dog pound. But critics of the capital investment approach argue that a new pound would not necessarily eliminate strays (the real objective) and would merely shift the costs to the non-dog-owning public for services required by dog owners. Hence, from this perspective a more appropriate solution would be to require some combination of say, steeper fines, higher service charges or license fees, and animal contraception (a regulatory package) (Lehan, 1984, pp. 66, 67). Because policy alternatives must ultimately be traded in institutionalized settings (usually committees), “politics” will affect both initiation of the regulatory solution and its priority in relation to the capital investment (pound) solution. In general, the stakeholder with the greatest number of political resources (technical sophistication, rewards—punishment, charisma, and intense supporters) will have the most influence on problem definition and ultimate selection of alternatives.

STRUCTURING A POLICY PROBLEM

As already noted, selection of the appropriate technique for problem definition depends on a preliminary assessment of data trends, causation among variables, and relevant stakeholder positions. New information that can change our assumptions about these subjects will probably emerge during the process of problem structuring. In this event, the definition will change but the techniques for definition will not.

Of initial importance to defining a policy problem is how likely, based on the information we have, the problem can be structured for action by policy
institutions. Dunn (1981, pp. 103, 104) suggests that policy problems fall into three classes: (1) well-structured, (2) moderately structured, and (3) ill-structured problems, based on their degree of complexity and interdependence. Brewer and deLeon (1983, p. 51) also recognize that a problem may remain complex because, once defined by the analyst, it is subject to competing individual, organizational, and external environmental (client) preferences.

*Well-structured* problems are "those which involve one or a few decision-makers and a small set of policy alternatives" (Dunn, 1981, p. 104). Low-level agency operational problems, such as the optimum point of replacing agency vehicles given age, repair, and depreciation costs, are well-structured because all consequences of all policy alternatives can be programmed in advance. *Moderately structured* problems are "those involving one or a few decision-makers and a relatively limited number of alternatives" (Dunn, 1981, p. 104). Unlike the well-structured problem, here the outcomes are not calculable within acceptable margins of error or risk. For example, the problem for the United States in its anti-cocaine war in Bolivia could be defined reasonably well as: (1) the political power of the "Coca Nostra" (the barons who supervise production of 40 percent of all cocaine in the world market and give Bolivia $600 million annually in repatriated earnings; (2) excessive cocaine supplies caused by large acreage in production in response to U.S. demand; and (3) interagency rivalry among U.S. Agency for International Development (USAID), Drug Enforcement Agency (DEA), FBI, CIA, United States Information Agency (USIA), State Department, and Bolivian governmental agencies involved in the war on drugs. According to Kline (1987, p. 27), the United States has placed its highest priority on crop control instead of going after the "handful of men, and their organizations who have such a stranglehold on the social and economic life of the nation." The problem, nevertheless, is capable of being structured, and solutions can clearly be evaluated according to that definition.

The more typical and potentially dangerous situation concerns *ill-structured* problems, or those involving "many different decision-makers whose utilities (values) are either unknown or impossible to rank in a consistent fashion" (Dunn, 1981, p. 105). Moreover, "Many of the most important policy problems are ill-structured. One of the lessons of political science, public administration, and other disciplines is that well-structured and moderately structured problems are rarely present in complex governmental settings. . . . One of the main tasks of policy analysis, therefore, is the resolution of ill-structured problems" (Dunn, 1981, p. 105).

For example, the Anti-Drug Abuse Act of 1986 (Ronald Reagan's new drug policy) attempts to define and resolve an ill-structured problem. First, there are few agreed-upon societal values, only those of conflicting individuals and groups. All would like to see drug use reduced (except suppliers), but consensus largely ends there. The bulk of the proposed $1.7 billion cost of the plan (65% or $1.04 billion) will go to drug enforcement whereas only $441 million (27.5%) will go for educational and drug-treatment activities (Brinkley, 1986b). The resultant allocation of funds suggests differences in both perspec-
tive and power resources among actors involved in drug policy. Second, policymakers tend to maximize their own values and are not motivated to act on the basis of societal preferences. The prospect of substantial enforcement money quickly turned the chance for coordinated policy into a gold rush and predictable turf battle between the Customs Service and the Coast Guard, both of which wanted new radar planes (Brinkley, 1986b).

Third, commitment of resources to existing policies and programs prevents policymakers from considering new alternatives. This is partly a fixed-cost budget problem exacerbated by an incremental budget process that provides little incentive for analysis. More powerful stakeholders in the annual budget process are able to lock in expenditure preferences with legal authority (called permanent appropriations or entitlements). This pattern, which occurs in federal, state, and local government policy processes, removes the bulk of items from policymaker discretion. In this fashion, as noted in Chapter 1, the politics of the budget process determines public policy.

There is also the problem of making choices on the basis of perceived constituent demands in the context of budget deadlines, which serves to drive out policy analysis. For instance, there is the paradox that enforcement of marijuana laws may be driving people to use cocaine and more harmful drugs. Suppliers prefer cocaine because it is easier to conceal and transport. Cocaine prices are also much higher than marijuana prices, and marijuana is bulky and harder to transport. But drug enforcers prefer going after marijuana because its bulk looks impressive before the television cameras, and seizure of a few tons increases productivity measures at lower risk than for cocaine. Thus, according to law enforcement experts, enforcement of marijuana laws contributes to higher marijuana prices and lower supplies, and this drives addicts to harder drugs (Lindsey, 1986). In this context, the 1986 recommendation of the Georgia attorney general to make possession of marijuana a felony instead of a misdemeanor (Hopkins, 1986) must be viewed as either selection of an inappropriate solution from valid and reliable data, or misguided posturing before constituents of "get tough on criminals" in general. Based on available evidence, such a law will increase the incidence of hard-drug users and make enforcement even more difficult.

These institutional features, together with the inability of policymakers to collect enough information on all possible alternatives or predict the range of consequences associated with each alternative, render the ill-structured problem largely immune from conventional definition techniques. We are faced with a difficult choice of both methods and facts to maintain our credibility as policy analysts. The wrong method or model can select the wrong facts and give us the right solution to the wrong problem (e.g., the crop eradication or "technical fix" model as a solution to the problem of cultivating cocaine in Bolivia when definition of the problem must include the dimensions of local elite power and high U.S. demand for cocaine). Despite these obstacles, let us turn to a "best available" methodology for defining the ill-structured problem.
TOWARD A TECHNIQUE FOR ILL-STRUCTURED PROBLEM DEFINITION

We are now ready to talk in greater detail about methods of gathering data to define policy problems. If public policy is really a hypothesis (Wildavsky, 1984, p. 182) waiting to be tested by programmatic expenditures clashing with the complexity of the real world, the problem(s) on which policy is based must also be considered hypotheses based on preliminary kinds of data. As the policy is implemented, the problem hypothesis is tested against data used to actually define it. In many cases, the data may prove inadequate and require a reformulation of the problem and new policy if improved results are required.

For problem definition, data gathering contains both a technical and a political dimension. Initially, data trends must be examined to determine if a problem exists. But data can become quickly politicized if analysts lack the vigilance to articulate their assumptions carefully. For instance, after more than 50 years of study and policy changes, water-fluoridation experts continue to battle it out by conducting studies with generally conflicting results. As a “messy” problem, consensus is absent both on the facts and on the relationship among key variables (Shell, 1986, p. 28). When fluoridation of the water began in the 1940s, technical data on the relation between tooth decay, fluorosis, and osteosclerosis were overwhelmed with the political interpretations by anti-communist stakeholders who believed a plot existed to take over the United States via introduction of foreign matter in our water supply.

What we need, then, is accurate, decision-applicable information that can be used for the development of public policy. Use of data that leads to a policy of crop eradication to eliminate a $600 million a year drug operation simply ignores other information, such as the U.S. demand for cocaine as a controlling variable, and the demands of competing stakeholders, such as the powerful Coca Nostra. By using such information to set artificially high and unattainable antidrug policy goals for a narrow technical definition of the problem, the United States provides probably correct solutions for only a well-structured component of the messy problem at hand.

Therefore, research must be rapid-fire, accurate, and produce useful information, not knowledge for its own sake. “As decision-related research, the problem definition must be sufficiently broad to identify the controlling variables, establish objectives, and specify performance criteria” (Lehan, 1984, p. 74). This text offers a three-step method to gather the appropriate data, classify them, and define the problem. As one might expect, even for the ill-structured problem any methodology (regardless of how much creativity or experience is combined) is going to be partly a mixture of rationality and hunchlike insights. Hence, policy-problem definition will require: (1) classification of data, (2) isolation of controlling variable(s), and (3) analysis of assumptions of competing stakeholders. When this is properly done, we should then be able to narrow the range of problem definitions.
Classification of Data

First, data should be classified according to the principles found in most statistics textbooks. Before data can be aggregated into information for decision making, it must be divided into relevant, mutually exclusive, independent, and exhaustive categories. Assuming scarce resources and a professional need to avoid waste and stimulate productivity (President Reagan signed Executive Order 12552 in February 1986 requiring that all federal agencies seek to improve the efficiency of service delivery at set levels of quality and timeliness), we need data that pertain to development of a target group and avoid cross-divisions. As will be indicated below, data on problem causation is often defined by the politics of stakeholder conflict. The policy analyst may skillfully use this fact of life to generate data on all sides of an issue as part of the winnowing process to define the problem.

For example, although single-room occupancy hotels or SROs are a "vital resource" for housing the New York City homeless, the real estate industry "portrays all SROs as inhumane and inadequate" and seeks to replace them with office buildings and luxury residential towers (Hayes, 1986). The factual issue is important here because "More than 100,000 low-rent SRO apartments have disappeared since 1971. The social fallout can be measured in the one-third of the homeless individuals in city shelters who list an SRO as their last address" (Hayes, 1986). The policy analyst would need to begin separating fact from fancy, for example, by gathering data on the percentage of SROs that could be defined (by an appropriate measure) as salvageable through maintenance and rebuilding as distinguished from those that really are "inadequate."

The question is whether we can find patterns of data that suggest public institutions (or public economic incentives for private firms to act) can feasibly act on an ill-structured problem to produce any improvement in the target groups. In most cases, data will be conflicting. For example, 1986 data on cocaine use can be classified by age group reported over a 9-year period. Based on use by ages 12–17, 18–25, and 26+, it can be demonstrated that cocaine use was higher in the middle group in 1976 (7.0% as opposed to 2.3% and 0.6% in the other groups) and also in 1985 (16.4% as opposed to 4.4% and 4.2%, respectively). Although usage is growing rapidly in all age groups, it has attained its highest mark in the middle group (Brinkley, 1986a).

Hence, data could support this as a target group. Additionally, data could be classified by ethnic group/race. Although the 18–25 high-consumption crowd is mostly white, among minorities cocaine is used most by Hispanics and least by blacks. If cocaine use is the target, then additional classification supports targeting the white 18–25 age group. Given the enforcement problems with such a strategy, it is not surprising that some enforcers would follow the path of least resistance in their regions—targeting blacks (forced by price usually to use marijuana) or Hispanics (to get at both "foreigners" and cocaine users). In the Lieber case (1986) below, it is apparent that the technical qualities of data were mixed with the budgetary demands of stakeholders for control of the ultimate policy. Decisions on anticocaine policy have been made less on the basis of hard data than in response to the shrill cry of election-year rhetoric.
TABLE 2.1. PERCENTAGE OF PEOPLE WITHIN EACH AGE GROUP WHO REPORTED USING COCAINE WITHIN THE PREVIOUS YEAR

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1976</th>
<th>1979</th>
<th>1982</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 12–17</td>
<td>2.3</td>
<td>4.2</td>
<td>4.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Age 18–25</td>
<td>7.0</td>
<td>19.6</td>
<td>18.8</td>
<td>16.4</td>
</tr>
<tr>
<td>Age 26 and up</td>
<td>0.6</td>
<td>2.0</td>
<td>3.8</td>
<td>4.2</td>
</tr>
</tbody>
</table>


On the other hand, the data presented in Table 2.1 also indicates that cocaine use peaked around 1979 for the 18–25 age group and is growing only slightly in the other two age groups. Additional data indicate that 5.8 million people reported using cocaine at least monthly (as opposed to 18.2 million for marijuana and 113.1 million for alcohol), which represents a 38 percent increase in three years. Also, 12.2 million people reported using cocaine at least once a year, which is a “modest increase” that “contradicts the Government’s tentative opinion of the last three years that cocaine use has remained stable” (Brinkley, 1986a). Thus, the data could support policies based on the conclusions that cocaine use has both leveled off and modestly increased!

But according to Kerr (1986b), much of the political excitement can be attributed to coincidence of congressional elections with the recent national realization of the “seriousness of its cocaine habit.” This would suggest that, instead of a public policy issue, cocaine became an election or cyclical issue. Such problems are difficult to influence by public expenditures because they are largely matters of public perception strongly influenced by the media. This interpretation is voiced by Kerr (1986b), who suggests that “Politicians...had grabbed onto the drug issue before the elections because it was popular and easy to explain and there was no substantial pro-drug opposition.” “America has gone on another of the goofy benders that so often pass for public policy debate, wrote The New Republic in its October 6 [1986] issue.” “We are not saying that drugs aren’t a problem, only that they should be addressed with some sense of logic and proportion” (Kerr, 1986b). The three-step process presented here is designed to inhibit quick-fix technical solutions (such as over-reliance on the supply-side drug policy discussed by Lieber [1986] and its Bolivian analogue of crop eradication noted in Kline [1987]) and focus holistically on the “actionable” components of ill-structured problems.

As noted, data classification and analysis can provide at least a preliminary indication that a policy problem exists. The use of statistical analysis to point toward structuring policy alternatives will be examined in Chapter 3. Here it should be noted that if differences in data can be explained, they can point to alternative problem definitions on which policy options can be based. This is especially true if data are converted from raw figures to performance data through construction of ratios (patient cures/visit; pounds of drugs seized/attempted seizures) and other measures (e.g., changes in the street price of cocaine).
For example, the Joint Commission on Accreditation of Hospitals recently announced a fundamental shift in the way hospitals are evaluated. Whereas in the past hospital accreditation was based largely on "structure, paper work, minutes of staff and other boilerplate stuff" (Brinkley, 1986c), the agency will now examine whether hospitals actually provide care—not simply whether they have the capacity to provide such care. The policy shift was made largely because of recent improvements in statistical methodology that permit measurement of mortality and complication rates or "treatment outcomes" adjusted for the unique features of individual hospitals' patients (Brinkley, 1986c). While both the American Medical Association and the American Hospital Association supported the policy shift, the health care industry (a powerful stakeholder) strenuously objected to the new policy. This will be discussed further in Chapter 5.

It should be recalled that problem definition can be confounded by differing interpretations of the same data. Classification of data, even with the latest methodology, can inhibit problem-solving by precluding options. For example, the issue of the U.S. international competitiveness policy is often defined as one of lower productivity in producing information such as blueprints of new inventions. But according to Reich, access to this kind of information may inhibit learning. It can solve an immediate technological problem but "does not provide experience for solving the next one. It supplies answers but it does not teach.... As anyone knows who has tried to solve a puzzle with the answer book open, or tried to learn directions from here to there as a passenger rather than a driver, the ready availability of help can substitute for direct experience and thus make it more difficult to do it yourself the next time" (Reich, 1987, p. 68).

Thus, it is important that assumptions about the classification of data be made explicit at the outset of policy analysis and that data not be used to develop policy options unless alternative explanations have been formally eliminated. For example, statistical analysis can indicate whether income is more a function of education than family socioeconomic status, and whether family size or income are greater determinants of food consumption. In approaching suspected public policy problem areas, such as declining international competitiveness and low public sector productivity, data need to be gathered according to a research design that permits elimination of alternative explanations. This is done by use of a control group or agency that is subject to the same measurement. International sales of firms producing similar products that stressed blueprint production would need to be compared to those that stressed hands-on employee experience with the process of converting blueprints to applications and products. Empirical testing would then provide the basis for rigorous problem definition and development of policy alternatives.

Similarly, to examine the proposition that centralization leads to lower productivity, one could compare worker productivity in decentralized agencies with centralized agencies that are being measured for productivity. The famous 1927 studies conducted by Elton Mayo at Western Electric’s Hawthorne
Plant in Illinois found that worker productivity increased less from changes in the external environment than from the effects of the primary work group (relationships between workers and their supervisors). In gathering data for a study without a control (an agency or group that experiences the same stimuli as the measurement group), the alternative explanation can only be eliminated by assuming it away, which would almost guarantee an undefined problem (Shively, 1974, p. 87).

Dunn (1981, p. 115) distinguishes (1) "surrogate" models that assume that the formal problem is a valid representation of the substantive problem, and (2) "perspective" models that merely function as one of many possible ways to structure substantive problems. This discussion emphasizes the latter type and cautions against confusing the two. In other words, given the complexity of real world ill-structured problems, it is unlikely that one model will precisely fit the exact relationship among variables. Data assumptions should be made explicit and tested according to a research design that ensures elimination of alternative explanations.

Hence, policy analysts must be careful to avoid letting the data "classify itself" in the most rational (usually familiar) manner. As illustrated by the problem of U.S. international competitiveness and public-sector productivity, classification of data in one way without controls can in practice foreclose opportunities to classify it in other ways that would produce verified alternative explanations. The policy analyst must actively work against the tendency to let perspectives become surrogates for reality.

One functional policy "analyst" who didn't allow this to happen was Antoine de Saint-Exupery, often called the Joseph Conrad of the air. "In 1940, landing a plane in pre-Occupation France, Saint-Exupery noticed that the runway lights had disappeared, indicating an obstacle on the ground (a truck, as it turned out). Instead of pulling on the stick, a maneuver that would have lifted the plane but maybe not high or soon enough, he pushed it forward. The plane nose-dived, 'wrote a witness, its wheels hitting the ground hard, and it rebounded over the obstacle, while the pilot revved the engine to gain altitude and circle the field once more'" (Drabelle, 1986, p. 177). Had Saint-Exupery followed the book, his plane would have hit the truck; using an alternative explanation of reality based on experience, he structured the problem differently, implicitly weighting data on "bounce" more profoundly than data on lift-off capacity. This produced the bizarre maneuver that saved his life. Public policy analysts can also help save the public interest by imaginative data-gathering efforts that combine depth of experience with methodological rigor.

Isolation of Controlling Variables

The second step for defining ill-structured problems is to seek the controlling variables or problem causation. In order to define a policy problem one must know its causes (or at least its correlates). Any public expenditure must be based on some order or law that can be called a policy. Policy problems such as poverty, urban transportation, and environmental protection are usually some combination of private and individual actions and preexisting public policies.
Causation will therefore be complex, and some means of distinguishing remote from more proximate causes must be provided.

In the field of tort law, according to Prosser (1964, p. 240), "There is nothing...which has called forth more disagreement, or upon which the opinions are in such a welter of confusion" than the meaning of "proximate cause." Thus, "in a philosophical sense, the consequences of an act go forward to eternity, and the causes of an event go back to the discovery of America and beyond" (Prosser, 1964, p. 240). Because, as a practical matter, legal responsibility must be limited to those causes that are closely connected with the result, tort law developed the "substantial factor" formula. That is, "the defendant's conduct is a cause of the event if it was a material element and a substantial factor in bringing it about" (Prosser, 1964, p. 244). Using the legal analogy, a problem is "caused" by factors that are substantial factors even if other factors contributed to the result. Where other factors would have caused the event anyway, one's act or omission could not be a "substantial factor" in bringing it about. Hence, "the presence of a railroad embankment may be no cause of the inundation of the plaintiff's land by a cloudburst which would have flooded it in any case" (Prosser, 1964, p. 242).

To determine the "substantial factors" in policy causation, we need to perform an analysis of the hierarchy of causes from remote to proximate or immediate. Because social science theories are often too abstract to identify immediate causes of a problematic situation, we need a "perspective" model (Dunn 1981, p. 119) to aid us. Distinguishing "possible" from "plausible" and "actionable" causes can help. Possible causes are more remote events or actions that contribute to a problem—unemployment and distribution of power as causes of poverty. Plausible causes are possible causes that have been empirically tested and found to be an important influence (substantial factor) on the problem. Distribution of power among elites, for instance, are plausible causes of poverty—but they are not directly actionable. That is, they are not "actionable" causes subject to control or manipulation by policy makers (Dunn, 1981, p. 125). In the poverty example, unemployment is both a plausible and actionable cause. The Rogers Commission found that an actionable "contributing cause" of the Space Shuttle Challenger accident was the decision-making process itself. "The testimony reveals failures in communication that resulted in a decision to launch 51-L based on incomplete and sometimes misleading information, a conflict between engineering data and management judgments, and a NASA management structure that permitted internal flight safety problems to bypass key shuttle managers" (Rogers Commission, 1986, p. 82). The cause therefore may be the decision structure itself. This suggests that structural problems can also lead to "major" policy problems, such as the reexamination that the entire U.S. space policy must now face as the result of this accident.

Using guidelines similar to those suggested for classification of data (mutually exclusive and exhaustive categories; relevant target group), we need to
establish plausible-actionable causes for the problem situation. The causes need
to be established to reduce potential unanticipated consequences from public
expenditures and embarrassment for politicians, bureaucrats, and their private
consultants who often make the real recommendations. Again, the search for
causes must not be limited by narrow interpretations of data based on unsound
technical studies without controls. Otherwise, causation may appear remote
but in fact be immediate and actionable.

For instance, the State of Georgia recently suspended the licenses of two
doctors for allegedly handing out thousands of improper narcotic prescriptions.
In a 10-month period in 1984, the two physicians dispensed approximately
23,000 prescriptions for mood-altering or addictive drugs in a town of fewer
than 20,000 inhabitants (Baum, 1986). Because many of the patients then sold
the drugs on the street, practically the entire town became addicted to these
drugs. After the doctors were suspended, the users substituted cocaine for the
prescription drugs, and by spring a crime wave hit the town. "There is no clear
line to the [doctors]," the police chief admitted. "But in talking to the people
we arrested, many said they were doing it to support a drug habit. We think
the suspension of the [doctors] helps explain our month of May" (Baum,
1986).

Predicting causation under such circumstances was important. Criminal-
justice policy analysts would have had to know that availability of so many
prescription drugs would find many willing buyers, and that once hooked, the
buyers would become angry at the loss of their source. As in the case of much
policy analysis, stakeholders often know the available options. But actors in
such positions often prefer having the extra time available when someone else
has to tell them (consultants), after which they often practice studied inaction
due to larger structural limitations (political threats) that can affect careers and
personal safety.

Problem definition, in such instances, may be boiled down to asking the
simple question: "What is reasonably likely to happen under the circumstances?"
The search for causes of a policy problem may be hindered by absence of con-
cepts that can be measured directly. This requires the use of indirect measures
and comparative analogies. For example, defining the problem of drug abuse
as one of insufficient education can benefit from direct experience with control
of contagious diseases.

Because disease-education programs have been historically successful,
many have recommended similar programs for drug abuse (12.5% or $200
million of the Anti-Drug Abuse Act of 1986 will be spent on education and
prevention; Brinkley, 1986b). Studies have found, however, that presenting
the facts about the physiology and pharmacology of drug use and its legal,
social, and psychological ramifications tends to encourage students to try drugs
(Kerr, 1986a). While moralizing and scare tactics may work with contagious
diseases, by exaggerating the immediate danger of drug use, the teacher's credi-
bility is destroyed, which may put children at increased risk of using drugs.
Comparison of the two types of programs suggests that an important causal difference is the "patient's" skepticism of risk given other voluntary dangers in society.

Youth have rarely been accused of collective risk aversion; hence, many young people seek such thrills for peer status. Based on such comparative analysis of causes, one could conclude that programs need either to focus on enforcement or emphasize the long-term effects of drug use on individual health that will be required later in one's career, factors such as stamina, clarity of thought, and discipline. If the student cannot reconcile these character strengths with drug use, the educational program may work. If the program works, the more harmful effects on family and society may be reduced and the "cyclical social trend" of drug abuse may pass without excessive budgetary and policy hysteria. A $1.7 billion drug-abuse program based on incomplete information is, of course, one symptom of this hysteria!

Additionally, comparative analysis of actionable causes may point in the direction of related public programs. For example, an immediate cause of homeless families in New York City is the scarcity of low-income housing. But the availability of low-income housing, in turn, is a product of other public policies—rent control, enforcement of the housing code, the workings of the housing courts, city use of city-owned housing stock, and city welfare policies—all of which affect the supply of low-income housing (Hayes, 1986). Such examples suggest clearly why problems must be defined to take into account interdependencies and expenditure tradeoffs and not simply as independently functioning parts. In public policy as elsewhere in professional life, the whole is often larger than its parts. The incentives and disincentives for cooperative actions between those institutional parts that define and execute policies must not be forgotten.

**Comparing Stakeholder Assumptions**

Now that we have asked appropriate questions about relevant data categories and suggested the need to find "substantial factors" that contribute to the undefined problem, we are ready to move from the more technical—rational mode of analysis to the political dimension. Here we must examine the key assumptions of conflicting stakeholders in the policy arena. Since few policy areas are "originals," the stakeholders have normally been arguing their positions for a long time and this aids us in developing data categories and information on causation. In many cases, problem definition will involve almost a simultaneous conduct of the three steps. In fact, clues as to which data are relevant and what causes a problem can best be gleaned from the stakeholders who both support and stand to lose from a particular formulation of the problem.

The notion of harnessing stakeholder mutual fault-finding is an effective, time-tested method to gain policy data and information. It was used, for example, by investigators of aerospace accidents as a successful example of pluralist policy-making. The 1986 Rogers Commission investigation of the Challenger accident was considered by many a model of success precisely because it gained data and insight by playing neutral referee to the mutual fault-finding process.
waged among Morton Thiokol, Rockwell, NASA, and the media, then moving in closer to isolate the management, policy, and technical causes of the accident. As in any policy issue, each actor occupied a self-interest maximization role and stood to lose in the resource allocation game (the losers in the game usually have reduced public and private resources) against other competitors. While Cook (1986) argues that the Rogers Commission became nonadversarial in covering up the longstanding and widespread knowledge by NASA staff of the O-ring problem, the process of letting adversaries chew on each other eventually ferreted out the proximate and immediate causes of the problem. Unfortunately, policymakers have not been able to pick up the pieces and move from the detailed components of this ill-structured problem (O-rings, dependence on the shuttle, NASA organization, and contractor relations) gleaned from the adversarial process to selection of a new alternative for U.S. space policy. This is partly an analytic problem and partly a structural one (the need for annual reauthorizations and appropriations means that NASA is driven by the budget process, and this tends to drive out analysis).

In many cases, a policy problem can be more accurately defined where analysts are aware of the history of conflict among actors. What this suggests is that stakeholder analysis must take into account both the technical conflict, or battle over palpably objective data, and the reality of power imbalance among actors of different positions. Failure to do so can result in an improperly defined problem. Or it can lead to unanticipated consequences during implementation where actors exercise their political muscle (often unintentionally) to derail any chance for a reasonable solution.

For example, advocates of an enlarged definition of homelessness and an inalienable right to shelter finally achieved an “open door” policy that clogged the shelters (Main, 1986). Similarly, the real estate industry pushed for replacing SRO apartments in New York City with office buildings, which reduced available low-income housing (Hayes, 1986). As noted, the poverty problem is also a good example of stakeholder impediments to effective policy since all levels of government have grappled with it for such a long time. Varying stakeholders (who stand to gain budgetary resources, status, and power) express the views that poverty is the result of class structure, imperfections in the poor themselves, and improper delivery of poverty funds (i.e., bureaucrats take the lion’s share of them and often use their discretion to allocate the rest for personal gain).

For appropriate analysis of assumptions, analysts need to: (1) take stock of the major assumptions and counterassumptions surrounding an issue, and (2) create the environment for constructive conflict by developing a list of assumptions acceptable to most of the stakeholders that permits later synthesis. In an era of declining fiscal resources for nondefense public policy projects, this is difficult to accomplish. Even if funding is virtually assured, stakeholder consensus is hard to obtain. For example, in the construction of the $1 billion Dade County Metrorail project, one might expect lots of consensus on acquisition and use of funds for rather clearly defined purposes. But, on closer inspection, contractors, subcontractors, the U.S. Urban Mass Transportation Administration (UMTA),
and the Dade County Transportation Administration disagreed on most of the
details of when and how to do the job, as well as who would inspect the work.
The relevant stakeholders distrusted each other in a context that required se-
quenced cooperation for the project to be completed within budget and on time
(Guess, 1985). Stakeholder analysis prior to disbursement of any funds for this
project could have avoided most of the construction difficulty. Largely as the
result of this "functional" policy failure, UMTA revised its own oversight
policies from case-by-case examination, and random performance audits with
in-house staff, to one of using private contractors outside the project to execute
a performance audit of the inproject contractors.

In summary, the problem-definition process is one of harnessing compet-
ing sources of information on causation and target groups to provide appro-
priate data categories in order to attain consensus on data, assumptions, and
solutions. Given the reality of group conflict in American politics, stakeholders
can provide a ready source of this information. Proper management of the
policy-analysis process can reduce unanticipated consequences later in problem
formulation and policy implementation.