# UNIT 16 MONITORING OF PUBLIC POLICY – II

## Structure



## 16.0 LEARNING OUTCOME

After studying this Unit, you should be able to:

- Understand the various techniques for monitoring policy;
- Explain the policy outcomes; and
- Describe the corrective actions for effective policy monitoring.

## 16.1 INTRODUCTION

In the previous Unit, it was explained as to how monitoring of the process of implementation provides tools to policy makers and administrators for evaluating the way in which apolicy or programme is being delivered. In implementation, this information may be used to correct or control the policy delivery process more effectively. An implementation strategy needs necessary control on staff, cost, and timing. The essence of a good monitoring system is speed of communication of dependable information on key result areas. Monitoring of policy means that policy programmes are completed on schedule (time performance), and within the budget (cost performance). In policy monitoring the following six steps are identified:

i) **Planning**

Planning is intended to establish expectations against which the implementer or policy maker monitors policy delivery process.

ii) **Allocation**

Allocation means the application of resources to the policy delivery process.

iii) **Implementation**

Implementation refers to doing the technical work planned in the policy delivery.

iv) Measurement

Measurement means observing performance indicators on all parameters (technical, time, and cost) with a view to detecting deviations from policy delivery (planned performance).

v) Evaluation

Evaluation is concerned with analysis of the factors associated with different levels of performance of a policy/programme delivery (planned performance).

vi) Adjustment

Adjustment means taking corrective action to resolve any deviation, which may result from policy delivery.

In this Unit, we will concentrate on techniques of policy monitoring, policy outcomes, and actions for effective policy monitoring

## 16.2 TECHNIQUES OF POLICY MONITORING

Monitoring has several aspects in public policy delivery. It may involve physical progress of the implementation of policies (e.g. water and forest policies), productivity and profitability in performance for public sector units in the core sector, and maintenance of resource assets created to be monitored selectively so that expenditure is utilised purposefully. Primarily there are three areas in which policy monitoring has to play its role. They are:

i) Technical performance, including the use of human resources;

ii) Time performance; and

iii) Cost (budget) performance.

Monitoring of these areas involves many techniques, which are applied in the policy delivery process.

### 16.2.1 Techniques for Monitoring Technical Performance

There are several methods and techniques for monitoring technical performance of a policy delivery.

i) Technical Team

The Planning Department or Policy Monitoring Division in the Secretariat may be assigned the work of observing the technical performance of the policy delivery. This division may hold the technical Directors (Heads of the directorates) accountable for policy delivery performance. But the Department Head may not be in a position to directly oversee/observe policy performance, An important rule is that the techniques of monitoring and the responsibility for reporting the results of policy delivery performance should rest with the people (field staff) who are most directly involved in bringing out the results of policy implementation. **A** Steering Committee is generally set up to monitor the progress of public policies.

ii) **Activity** Bar **Chart**

An Activity Bar Chart is a graphic way of showing the schedule of policy delivery, For example, the National Health Policy of 1983 enunciated the long-term demographic goal of the country, to attain the targeted replacement level of fertility (or a Net Reproduction Rate of One) by the year 2000 at the lowest level of mortality. The chart can provide information relating to the list of objectives to be achieved; calendar for the policy delivery; list of programmes/ activities to be performed with starting and ending dates; and list of people (personnel) with allocated functions and responsibilities.

Thus, Activity Bar Chart is an important technique, which indicates the deadlines or period by which each technical activity related to a policy delivery should be completed. It plans each technical activity by time and deliverables. This is one place where deliverables become important instruments for policy management. They are tangible results, which indicate performance. Sometimes they are only written reports of tasks completed, and results of those tasks. Therefore, one technique of monitoring performance specifications is determining whether the deliverables, which were planned to be delivered or completed by a certain date, were actually achieved besides identifying shortfalls.

iii) **Peer Review**

Another technique of measuring technical performance of a policy delivery depends on the ability of the group (peer review) to estimate the degree of technical completion at any point in time. Peers are colleagues of the programme implementing staff, with more or less the same status. It is useful, especially to evaluate the quality of work done. The technical peers review the purpose and relevance of the policy programme; all work done up to specific date; technical problems faced; and the path to policy programme completion. The peer review depends for its effectiveness on the knowledge, capability, and attitude of the peers.

iv) **Third Party Technical Review**

The third party technical review works like a peer review, but people in it are largely unknown to those most intimately involved in the programme. sometimes, programme sponsors, or funding agencies or a steering committee wants to get technical performance monitored by parties, which have no interest or stake in the policy programme. Third party review is, sometimes, taken in periods of crisis in the programme. But in large and complex policy programmes (forestry, health and education), they can be planned to occur at periods that help and ensure adequate policy control. The main advantage of review by a third party is the objectivity and expertise, which it can bring to the programme.

Each of these four approaches/techniques has its own merits in monitoring technical performance of policy delivery.' But they are strongest when used in combination.

## 16.2.2 Techniques for Monitoring Time Performance

The purpose of monitoring *time* is to ensure timely policy delivery. Time in the context of a policy delivery is planned in the form of schedules. If one jndicates when programmes are expected to be completed or actually delivered on the Activity Bar Chart then he/she has a useful method of monitoring time in relation to technical performance of a given policy. For monitoring time performance, these techniques are found to be useful. In this regard, one could compare a resource schedule as well if one wanted to monitor the use of diverse people or other resources on the lines of the Activity Bar Chart.

i) **Resource Bar Chart**

A Resource Bar Chart is a useful monitoring device, which helps to assess the impact of schedule delays on all aspects of the programme. But the resource bar chart, as a technique for monitoring time will have little meaning until the data is arrayed so as to enable one to compare actual performance against expected performance. Any type of resources can be arrayed against time in the chart and then one can find out, for example, whether there has been some delay in mobilising the consultants for policy manpower and management. Hence, this monitoring device helps us to predict when logistics people have to make arrangements for consultants, etc. Matters relating to delay in the arrival of the specialists can be recorde'd in the Resource Bar Chart. The monitoring teams can develop the charts for their own use.

ii) **Schedule of Expenditure**

Like planning policy delivery, it is possible to plan the schedule of expenditure for the programme. For instance, once one has budgeted the individual activities the budgets can be aggregated by output. Then the division heads can calculate the monthly expenditures expected throughout the progratnme. Thus on the basis of activity-level monitoring data, the format permits the policy management – authority / team to monitor the rate of expenditure for the policy delivery. The graph or chart can be developed for the purpose of knowing the rate of expenditure across all objectives. It can show the amount of expenditure spent on a specific programme.

## 16.2.3 Techniques for Monitoring Cost Performance

Monitoring cost performance is of critical iinportance to policy delivery. As with technical performance, cost performance can be an important strategy for monitoring of policy delivery. It helps management to take steps for timely completion of the policy programme. It is not enough to monitor technical or time-performance alone. What if it takes twice as long as planned to achieve the technical results? Nor is it enough to realise technical results on schedule, if significant cost overruns were needed. The programme has to be carried out and completed within time and cost parameters. Some important techniques in monitoring cost performance are discussed below.

i) **Budget as a Technique for Policy Monitoring**

The budget of the policy delivery can serve as a tool for monitoring, if it is compared to actual costs as they are incurred. However, its main shortcoming is that detection of a financial deviation may crop up too late to do anything about it. This is because the policy delivery budget is comprised of aggregated cost category totals. In other words, those figures mirror estimates per category at the end of the policy programme. Used as a technique for monitoring one would have to wait until the end of the programme to see how well one predicted the programme costs. It makes the programme budget a better tool for a comprehensive programme analysis.

But if one has cost category budgets at the activity level, then one can begin to detect financial deviations earlier in the process. For this purpose, a simple monthly statement can be prepared, which can compare actual to planned expenditures per cost category.

Another technique called Performance to Budget Statement adds the component of time to the monitoring of cost performance. It computes a subtotal of actual expenditures to date. But it adds an expected expenditure to completion of the policy delivery, which is calculated on the basis of an average expenditure per unit of time. As the programmes continue, one can keep adding months of real expenditures to this statement.

ii) **Cash Flow Projection**

A similar technique called Cash Flow can be used for monitoring finances of policy delivery. It may be done on the basis of a single activity, an output or the programme as a whole. But this technique also accominodates the concept of income. The Cash Flow Projection combines the parameters of cash (budget) and time, It is useful in situations in which the authorities wish to monitor expenditures in comparison to income from donors (such as, the World Bank DFID funding for specific projects in a state). It may be stated that the Cash Flow Projection is often used because programmes generally are funded on a schedule of payments, which is designed to match the plan of expenditures. This helps in estimating the costs and actual income of the policy programme.

The Cash Flow Projection, in a way, permits the monitoring staff to not only assess the costs and incomes but also anticipate cash shortages, in a period when cash is scarce, even though the funding for the whole programme is good enough.

**Combining Performance Criteria**

In brief, all three areas – technical, time, and cost performance require proper monitoring to avoid any deviations from the planned policy delivery. It is important to monitor all three of them simultaneously. As already emphasised in the preceeding discussion that it is not sufficient to monitor cost or time performance alone. It is possible, for example, for a programme to be on schedule and within cost and still drowned in problems. The graph, properly developed, can show what has been achieved and what remains to be achieved. The plan can specify the percentage of expenditure to be incurred in each month or quarter in a financial year or duration of the project.

The chart is a very useful tool for monitoring a programme. It should present three dimensions – technical, time, and cost performance. The chief difficulty in maintaining such a chart lies in a careful sequencing of the combination of work, time, cost, and their proportions for specified periods.

## 16.3 POLICY OUTCOMES

Successful policy implementation depends upon an appropriate match of three elements, that is, inputs, outputs, and outcomes. Inputs constitute resources (personnel, funds, and technologies) that implementers use to generate outputs. These outputs are the actual decisions of the implementers. The concept of outcomes emphasises on what actually happens to target groups intended to be affected by the policy. For example, one can raise such questions as: How has health policy impacted on the actual health of society? How has education policy has expanded literacy or improved education? If the intended changes on the target groups do not occur, something is wrong. Labour welfare policies in India may be cited to illustrate this point.

Lane and Ersson observe, "... outcome analysis in evaluation research came to include all kinds of results that were relevant to the understanding of policies, including outcomes that had no link whatsoever with a policy but affected the evaluation of whether a policy had succeeded or not". They emphasise the need for a clear distinction between outputs and outcomes. They opine, "Outcomes are the things that are actually achieved, whatever the objectives of policy may have been. Outcomes are real results, whether intended or unintended, at the same time outcomes are not government action."

To analyse the policy outcomes, Lane and Ersson note, "... impact assessments are undertaken to estimate whether or not interventions produce their intended effects." The aim of impact assessment is to show how and why a given policy has worked at the expected level the extent to which policy goals are met or fulfilled the claims of the government or public agency concerned. Not only are the answers to such questions complex, but often the justifications get enmeshed in politics.

As in the case of policy-making process, social and economic forces are values within the policy process, which act as variables and may determine policy outcomes. Overtime, therefore, the path of policy outcomes should be set in the context of a multiplicity of factors – political parties, culture, political leadership, technology, past and present policies, economic forces operating at the domestic and international levels, social demography, bureaucratic behaviour and institutional arrangements.

The outcomes in health, education, economy, and so on may be viewed as formed by an array of inputs and forces, of which "policy" is one of the most influential of forces at work on real-world problems. At an analytical level, the profile of these forces usually depends on the framework being deployed, which tends to emphasise one or more of these factors as having a determining or dominant role in influencing the outcomes of public policy. The extent and quality of influence of such forces would differ between countries due to differences in culture, demography, and so on as well as between particular policy sectors. In view of the complexity of the analysis about the influence of the various social conditions and economic forces, a historical approach to the analysis of policy problems and policy outcomes is to be specially recommended.

## 16.4 EFFECTIVE POLICY MONITORING MECHANISM

Policy monitoring is of critical importance to the implementation process. It is the heart of public policy management. Ensuring proper implementation of policies requires proper monitoring. Monitoring like all other aspects of policy management requires a significant level of effort. Investing in monitoring is a direct investment in policy management. Following are some ways and means of enhancing the capacity of policy monitoring:

i) **Effective Monitoring Communications System**

Policy monitoring involves application of several techniques. These in return help monitoring data programme/policy status, deviations from planned progress, corrections and plans to policy delivery. They are also major components of communication for policy delivery. A good monitoring and control system requires a monitoring communications system, which works efficiently from the activity level of the programme to planning/policy-making level. Monitoring system should be based on electronic data processing so that it addresses every level of policy management in a minute, precise, and accurate manner,

ii) **Enhancing Administrative Capacity for Monitoring**

The process of monitoring requires some level of effort on the part of personnel who are particularly skilled in the process. It requires skills in planning and related administrative activities.

iii) **Designing Standard Monitoring Instruments**

For effective programme monitoring, it is important to design standard monitoring systems for the process, which provide good detail for good control of the policy delivery. Besides, performance criteria, standards and datacollection procedures must be established for each of the factors to be measured.

iv) **Delegation of Authority**

Authority is a critical element in the process of implementation. It provides the direction and control in achieving results. For effective policy monitoring, it is necessary to delegate (he authority as far down the organisation as possible.

v) **Holding Monitoring Meetings**

To ensure effective monitoring, it is important to hold regular meetings to review the progress of a programme. Meetings should be well planned and regular, Key personnel should be encouraged for meaningful contributions, and presenting/monitoring relevant data.

vi) **Involvement of the Staff**

One of the most important characteristics of timely monitoring is the involvement of all programme staff. In other words, the role for the programme in-charge is to ensure that the programme staff is adequately skilled and motivated to monitor the pel-formance of policy delivery under their jurisdiction.

## 16.5 CONCLUSION

The purpose of this Unit was to explain and analyse the various techniques in policy monitoring; policy outcomes; and measures for effective policy monitoring. The first section of this Unit began with a discussion about various techniques, such as, techniques for technical performance, time performance, and cost performance. As successful policy implementation depends to a large extent upon an appropriate match of inputs, outputs, and outcomes. This issue has, therefore, been dealt in detail. In the last section, the various components of an effective policy monitoring mechanism have been described with a focus on enhancing the capacity for policy monitoring. In this context, important ways and means like effective monitoring communication system, administrative capacity, designing standard monitoring instruments, delegation of authority, holding monitoring meetings and involvement of staff are highlighted as very significant.

## 16.6 KEY CONCEPTS

Cost **variance** : The budgeted cost of the work performed less the actual cost of the work performed.

**Monitor** : To keep watch in order to take remedial action when progress does not correspond to the plans.

## 16.7 REFERENCES AND FURTHER READING

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## 16.8 ACTIVITIES

1) Describe the various techniques for monitoring performance. Suggest the best suitable technique on the basis of examples.
2) What are policy outcomes? On the basis of your experience, explain various corrective actions in the process of policy monitoring.