

KEY ISSUES

*John Finn*¹

What is a “policy mix”?

There are a number of possible interpretations of what is a “policy mix”. In a broad sense a policy mix can be a particular combination of policies, objectives, and instruments to achieve these objectives. Thus, examples of policy mixes include the following:

- A number of policies that each addresses a distinct objective, that may be applied to a region or even to a single farm holding. For example, in the EU, these might include agri-environmental payments under Rural Development Regulation, the Habitats Directive, the Nitrates Directive and Water Framework Directive.
- A number of policy instruments that each address a distinct objective. Within a single agri-environmental policy, there may be several policy instruments applied that are each targeted at a distinct objective. For example, a single farm may subscribe to the following different instruments: ban on herbicides and pesticides, regulation of slurry spreading, payments for habitat protection, voluntary participation in environmental training.
- A number of policy instruments that address a common objective. Toward the objective of improving water quality, there may be fertiliser taxes, regulation of eligible dates for slurry spreading, payments for agreeing to limit fertiliser use, etc.
- A single policy instrument that addresses multiple objectives, e.g. payments for buffer strips or for permanent grassland.

There may be several other possible combinations of policy mixes; however, in the absence of a precise definition, these few examples illustrate that there may not be a single shared understanding of what constitutes a “policy mix”.

Why do policy mixes arise?

The third example (above) of a policy mix is probably the most obvious. So, why might a number of policy instruments be used to address a common objective? There are a number of examples where this might arise, and which illustrate differences in the effectiveness of their design.

Example 1: Due to poor scheme design or effort in preparation, there may be a lack of clarity about the objectives and what may be the most effective policy instrument to achieve them. Thus, several instruments are implemented in the hope that some may be effective!

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Example 2: Alternatively, despite a real effort, there may be a genuine lack of understanding about the precise mechanism whereby an environmental outcome is achieved. On the basis of experience and expert opinion, a number of policy instruments are implemented which are expected to be effective.

Example 3: Another alternative reason is that there is a good understanding of the complexity associated with achieving an environmental outcome and a realisation that there are a number of key mechanisms. Thus, different policy instruments are targeted at each of the identified key mechanisms.

Dealing with the fourth example, why might a single policy instrument attempt to address multiple objectives? Using the example of buffer strips (vegetation strips along stream and river banks), the objectives are usually to both reduce the transfer of nutrients into waterways and to increase the diversity of farmland wildlife.

Evaluation of policy mixes

In general, the evaluation of policy mixes relies on the same principles of evaluation that apply to all agri-environmental policies – some of these are discussed below. The relative complexity of policy mixes, however, means that any deficiencies in the design of either the scheme or the monitoring programme will more quickly confound the evaluation process. Using the above examples, the evaluation process will be expected to address different concerns:

Example 1: Objectives are not very clear and several policy instruments are implemented. An effective evaluation would identify the lack of clarity about the objectives, and would aim to improve this. Clearer policy objectives will facilitate evaluation of which policy instruments are most environmentally effective (and their cost-effectiveness), and consider new, improved policy instruments.

Example 2: Different policy instruments are implemented which are expected to be effective. Evaluation would aim to establish the degree of environmental effectiveness associated with different policy instruments. Evaluation may identify instruments that are high-cost and are of low environmental effectiveness, or low-cost but highly effective.

Example 3: Different policy instruments are targeted at each of the identified key mechanisms. Evaluation would probably be confirming the degree of environmental effectiveness associated with different policy instruments, and investigating cost-effectiveness.

In the case of a single policy instrument that addresses multiple objectives, evaluation will aim to establish the degree to which each of the environmental objectives is achieved. Evaluation may investigate or recommend splitting into more targeted instruments (which might consider geographical variation in the relative priority of the different objectives).

Disentangling

Where policy mixes occur, an important outcome of an evaluation is to disentangle the various objectives and policy instruments, and achieve a specific measure of performance for each objective and policy instrument. In other words, using quantitative evidence, one needs to attribute the successes or faults of a policy objective to specific policy instruments.

Models of cause-and-effect relationships

The modelling of cause-and-effect relationships is particularly appropriate to ex ante evaluation, which can be assisted by the predictive ability of a model of the causal mechanisms relevant to achieving particular agri-environmental objectives. Although some models are very complex, an important point is that many policies would probably be improved by the use of relatively simple models, which may be no more complex than qualitative flow diagrams. Where a variety of causal mechanisms exist, such an approach may be very useful in communicating to policy-makers the key causal mechanisms. Such causal mechanisms may be more wide-ranging than the physical, chemical and biological relationships between the implementation of certain management practices on farmland and the environmental outcome: they may also include consideration of farmer attitudes and behaviour, as well as the attitudes and behaviour of the implementing agencies.

Monitoring

An improved understanding of monitoring may arise by comparing it to a survey. A survey has been described as “an exercise in which a set of qualitative or quantitative observations are made, usually by means of a standardised procedure and within a restricted period of time, but without any preconception of what the findings ought to be” (Hellowell, 1991). A crucial difference between monitoring and a survey centres about the extent to which each method is *purpose-oriented*; when monitoring, we have a “preconception of what the findings ought to be”. A number of definitions of monitoring are available, but some recurring themes are as follows:

- Firstly, monitoring requires the *a priori* setting of specific and measurable objectives and targets, against which the collected data can be compared.
- Secondly, the sampling design and strategy should be capable of collecting sufficient data to permit an unambiguous analysis of the data.
- Thirdly, comparison of the expected objectives and the collected data permits an objective evaluation of whether the recommended practices are having an impact and/or need to be modified.

Monitoring, therefore, is purpose-driven and aims to collect information for comparison with predefined objectives, targets or limits. Such an emphasis on the comparison of collected data with quantitative objectives forms the basis of the objective decision-making that supports evaluation. Although monitoring involves the collection of data, evaluation uses the data to interpret the effectiveness of the scheme and make decisions on the basis of evidence. In this way, the evaluation process can identify:

- the extent to which the scheme objectives are being fulfilled; and
- changes that may be required to bridge the gap between policy aims and policy outcomes (Finn, 2003).

In the case of policy mixes, the data collection effort may need to be more sophisticated to allow a quantitative disentangling of the effects of different policy instruments; there may a requirement for specialist expertise to collect, analyse and interpret data (with the resulting cost implications).

Clarity of objectives

From the above discussion of monitoring, any discussion of policy effectiveness is only meaningful in the context of clearly stated, specific and measurable objectives that are to be achieved by a policy. Another benefit is that greater clarity of objectives will clarify the expectations of participants and stakeholders. While such clarification may increase the level of expectation that the stated objectives will be attained, it also has the distinct advantage of reducing unrealistic levels of expectation.

Integration of policy objectives, implementation, monitoring and evaluation

From the previous discussions, it should be apparent that there are clear linkages among the different stages of scheme design (objective-setting), implementation (which is underpinned by some perception of causal links between management actions and objectives, whether clearly articulated or not), monitoring (data collection and comparison with objectives) and evaluation (decision-making based on monitoring results).

Towards maximising such linkages and achieving the clarity mentioned in the previous section, it would be best practice to consider the needs of a monitoring and evaluation programme at the design stage of a scheme (whether this is the initial design of a scheme or the design of modifications to a scheme). In this way, beginning with the end in mind, the evaluation process itself will be most effective and efficient. This contrasts with a consideration of the needs of a monitoring programme as a bolt-on activity that occurs after (or separate to) the design of a scheme.

Political acceptability of evaluation

To date, unfortunately, evaluation has sometimes been seen as a negative process that is designed to detect flaws, with the risk of embarrassing those who originally designed a scheme. It is important, therefore, to highlight evaluation as an opportunity for learning how to improve agri-environmental policies and schemes, rather than apportioning blame. Such a change in attitudes will help to generate the required political will to invest in the agri-environmental monitoring that generates data for effective evaluation.

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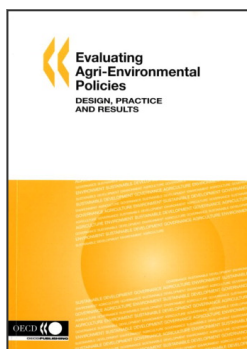
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