The Parameters of Policy Portfolios: Verticality and Horizontality in Design Spaces and Their Consequences for Policy Mix Formulation

Michael Howlett[1], Pablo del Río[2]

[1] Simon Fraser University (Canada) and National University of Singapore.

[2] National Research Council of Spain (CSIC).

The multi-dimensional nature of mixes has been ignored in the policy instrument choice and policy design literature, resulting in a lack of clarity and difficulties associating different kinds of actors and evaluation criteria with mixes (Leutz 1999) and the continual use of outdated or inappropriate design maxims in their construction which significantly enhance the potential for over and under-designing. Even with only three main portfolio dimensions – goals, policies and levels - the design situation is more complex and nuanced than is normally depicted in the existing policy design literature.

The aim of this article is to develop the main elements of a theoretical and methodological taxonomy which can help to clarify the different types of policy portfolios which are currently often ignored or improperly juxtaposed in the literature on the subject. This is done in an effort to provide the basis not only for better designs but also for improved considerations of the formulation processes and actors involved in such complex policy-making efforts. The discussion thus contributes to efforts currently being made to assess the success or optimality of complex policy mixes (Mandell 2008) and advances the project of revitalizing policy design studies urged by Howlett and Lejano (2013).

Thus, this paper distinguishes between mix types and their impact on policy formulation. It defines key types of mixes based on the complexity of design variables such as the number of goals, the number of policies and the number of levels of government and sector involved in the design of a policy bundle. The taxonomy is then used to assess the validity and applicability of oft-cited but under-theorized and under-examined portfolio design principles and precepts.

The paper argues that complex policy mixes inherently involve interactions between the different instruments of which they are composed, either in the form of conflicts or synergies. These can be defined as horizontal - between different types of instruments, policies or governments - and vertical - between different levels of goals, policies and levels of government. These two dimensions

each contain a number of elements and a large number of possible permutations. However it is possible to refine significant mix types and design spaces to eight basic types: four relatively simple instrument mixes and four more complex policy mixes.

Mitigating the conflicts and encouraging synergies within these mixes through effective policy design first requires recognizing these different design spaces and their implications for what is being designed and by whom (Howlett 2013). The typology of outcomes set out in this paper suggests an increasingly complex environment for policy formulation as the complexity of portfolio parameters increases, ranging from relatively simple single instrument mixes to the multi-level, multi-goal and multi-policy bundles of higher numbered types.