Parsing Causation Categories: Using Market and Governance Failures to Map Performance Problems

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Abstract: Studying government performance opens doors to examining its successes, failures and causal elements. In this paper potential sources of shortcomings are explored through the application of governance and market failures. As part of this review a series of tools and techniques are offered to further the process of identifying and rectifying root problems that can lead to imbalances in the implementation of public policies and administrative programs. Conclusions focus on the usefulness of these approaches for teaching, decision-making, quick policy analysis and policy research.

Introduction

A review of governance and market system failures is essential to unearthing the roots of public administration and policy problems that impact, and are reflected in, organizational performance. An important aspect of this paper is its attempted development of analytical instruments with an ability to incorporate both frameworks in a unified manner. These efforts are offered as a means to simplify information for problem analysis, and present that information in a digestible fashion.

Where problem analysis is concerned, understanding failure categories is an important part of determining what might be required to correct a policy or implementation performance weakness. The end game of such an examination is to reduce, or eliminate, the weakness under review. And that means being able to tie back proposed solutions to deeper causes (the failures), as well as more immediate evidence that brought the subject to light. Connecting recommendations to identified failures is therefore part of linking answers logically to questions of issue origin – essentially: What was the cause of problem "X," and how should we fix it?

Examining Failure Categories

Exploration of tools and techniques for identifying and responding to performance failure exists in many areas of the field of public administration and policy writ large. Discussions of system failure can be found in established program evaluation texts (Rossi, Lipsey and Henry: 2019), most treatises on policy analysis (Bardach & Patashnik, 2016; and, Weimer and Vining, 2017 to name but two), many economics focused discussions of public sector problems, and examinations of numerous issue specific topics. The idea of tracking failure back to root causes has captured the imagination of scholars and practitioners who believe that lasting change may only be achievable with the redress of fundamental breakdowns.

Failure categories have tended to be introduced in the literature as market, government, governance or programmatic failures. This paper will examine the value of molding select governance and market failure categories into tools that can be applied in the study of government performance weaknesses.

The journey that has allowed me to visualize and apply this perspective began with teaching public policy and public administration students at John Jay College of Criminal Justice at the City University of New York approximately 20 years ago. During this time my classes, research and publishing have explored its contours (see Mameli, 2016a; Mameli, 2016b; and Mameli and Bobb, 2020). At this stage I have come to conclude that the tools and techniques discussed below, while still in some version of seemingly endless revision, have varying degrees of value for teaching, decision-making, quick policy analysis, and policy research.

Governance Failures and Single Event Analysis

Robert Behn's 1998 article, "What Right Do Public Sector Managers Have to Lead" initiated my interest in developing means of utilizing failure categories for unpacking complex problems in the public sector (Behn, 1998). However, it offered the greatest value to me originally as a way in to helping students uncover deeper understanding of events such as the 9/11/01 terrorist attacks and the impact of Hurricane Katrina in the United States. Don Kettl's book, "System Under Stress" became fodder for much discussion in the immediate years that followed its release for examining complex event construction as it addressed both of these crises (Kettl; 2007).

As I continued to discuss multi-faceted events with students, a consistent area of complication I encountered involved decoding information in a manner that allowed tightly focused entry into problem solving. The enormity of some cases could take over discussion and limit examination of finer points that could otherwise be explored. Structuring a tool from Behn's efforts at providing governance failure categories became one way to draw students into examining theoretical constructs that could be of value

to the discussion, while asking them to provide their own insights into what might have actually been causing issues to develop in the manner that they had through narrowed corridors of study.

Table 1, below, provides a thumbnail of the governance failures and governance fallacies Behn outlined in his 1998 article. I added two categories along the way to enhance application of the tool to an expanded set of areas I was interested in that covered both foreign affairs and international relations (Mameli, 2016b). The two additional categories involved "Bureaucratic Failure" and "Network Failure." Bureaucratic failure proceeded from the assumption that public managers may not choose to lead, and network failure focused on the possibilities that networks relied on to relieve crisis situations may not in fact activate as a response mechanism. Both failures struck me as useful additions to the list. I'm sure others will disagree with these suggestions, or have more to add they consider essential. The point is, however, that the list below should not be considered finite.

Table 1: Governance Failures

Governance Failure	Governance Fallacy
Organizational	Fallacy of organizational machines
Analytical	Fallacy of human prescience
Executive	Fallacy of executive comprehensiveness
Legislative	Fallacy of legislative clarity; and, Fallacy of legislative democracy
Judicial	Fallacy of judicial omnipotence
Political	Fallacy of political hierarchy
Civic	Fallacy of civic engagement
Bureaucratic	Fallacy of bureaucratic leadership
Network	Fallacy of network activation

An initial instrument that enabled easier entry into discrete study of individual events is captured in Table 2. Here, the failure categories are used to capture and map problem areas leading to hypothetical performance shortcomings. As a jumping off point for discussions the table offered ready access to assumptions and conclusions researchers, analysts, decision-makers and teachers might wish to offer. The table provides a simple enough means of breaking into subterranean strata of explanations that could be applied to future solutions. Importantly, it also allows for examination of categories that may synergistically impact problem development in a complex fashion.

An important caveat to add at this point is that these governance failure categories operate at their strongest in Western style democracies – particularly those that are more advanced in development. The categories become stretched in both non-Western

and less advanced settings. While not a reason to discontinue use of the following tools in these environments, it is necessary to monitor variations in how the failure categories match the conditions they are applied to in order to not misstate the meaning of results.

Table 2: Single Event Analysis of Governance Failures and Lessons Learned

Failures/ Presence	Present	Absent	Lessons Learned
Organizational	X		
Analytical		X	
Executive		X	
Legislative		X	
Judicial		X	
Political		X	
Civic		X	
Bureaucratic	X		
Network	X		

Key: "X" represents: presence or absence of failure

A second approach to mining information using governance failure categories included matching failure classifications present to levels of severity. The goal of this routine is to better unpack results of analysis. The structure utilized in this case can be found in Table 3. Using Tables 2 and 3 in conjunction offers a means of deepening any review, and providing heightened insight. But applying them separately certainly remains a distinct option, depending on the wishes of those studying an issue and the nature of the topic involved.

Overall, Table 3 provides a more intricate construction to work with. Here, instead of including columns specifically addressing the presence or absence of a particular

Table 3: Single Event Analysis of Governance Failures and Severity

Failure Type/Severity	Present	Severity
Organizational		
Analytical		
Executive	X	Low
Legislative		
Judicial		
Political	- -	
Civic	X	High
Bureaucratic		
Network	X	Medium

Key: "X" represents: presence of failure; "---" represents: category does not apply in event

category the identification of presence alone is relied upon. In this modeling, "X" marks the spot. Where it does not exist, neither does a problem in that particular area of concern. If a failure category was not involved in relation to the problem being studied at all (perhaps because of differences across national settings being reviewed), a series of dashes is utilized to display the lack of appropriateness in the review. The inclusion of an indicator for "severity" was intended to begin gauging impact within the categories of interest. While only a rough measure of power, its inclusion begins to further develop a review in a productive manner.

After working with the above formats in a number of different contexts it became clear that expanding single event analysis to capture the inner workings of individual actors would benefit the review immensely. Few performance failures that take place in transnational or international context (as well as those internal to a single state) can be fully examined without expanding the lens or study to capture multiple actors (Mameli, 2016a). Combining Tables 2, 3 and 4 within a single study can improve pursuit of answers to performance failures, and speed effective and appropriate solution development. Table 4 can be further simplified to include severity categories, as seen in Table 5.

Table 4: Multiple Actor, Single Event Analysis of Governance Failures

Gov. Failures/ Actors	Actor A	Actor B	Actor C	Actor D	Actor E	Lessons Learned
Organizational	X					
Analytical		X			X	
Executive						
Legislative			X	---		
Judicial		X		---	---	
Political			X			
Civic		X		X	---	
Bureaucratic						
Network						X

Key: "X" represents: category of failure; "---" represents: category does not apply to actor

Governance Failures and Multi-Event Analysis

Where multiple events are to be examined for comparison, the following organization of material can be employed. With this table, findings can be of use to decision-makers, analysts and teachers in terms of identifying analogous situations during periods of rapid assessment when guidance identifying similar past incidents often happens in chaotic fashion (Mameli, 2016b). It can also be structured to include severity rankings (Table 7), or to consider a single actor's experiences across events.

Table 5: Multiple Actor, Single Event Analysis of Governance Failures by Severity

Gov. Failures/ Actors	Actor A	Actor B	Actor C	Actor D	Actor E	Lessons Learned
Organizational	High					
Analytical		Low			Low	
Executive						
Legislative			High	---		
Judicial		Low		---	---	
Political			Medium			
Civic		Medium		High	---	
Bureaucratic						
Network	High	High	High	High	High	

Key: Severity Level represents: category of failure; "---" represents: category does not apply to actor

Table 6: Multiple Event Analysis of Governance Failures and Lessons Learned

Gov. Failures/ Events	Event A	Event B	Event C	Lessons Learned
Organizational	X			
Analytical		X		
Executive	- -	- -	- -	
Legislative			X	
Judicial		X		
Political			X	
Civic		X		
Bureaucratic			--	
Network		--		

Key: "X" represents: category of failure; "---" represents: category does not apply to event

Table 7: Multiple Event Analysis of Governance Failures, Severity and Lessons Learned

Gov. Failures/ Events	Event A	Event B	Event C	Lessons Learned
Organizational	High			
Analytical		Low		
Executive	- -	- -	- -	
Legislative			Medium	
Judicial		High		
Political			Low	
Civic		High		
Bureaucratic			--	
Network		--		

Key: "X" represents: category of failure; "---" represents: category does not apply to event

When seeking to deepen understanding of analogies, such a table offers a quick window into areas of difference by degree of consequence. As such, informed application of policy choices, performance responses, and general problem solving can be engaged.

Market Failures, Governance Failures and Impact

With the progression of instruments available to analyze failure impacts in public sector settings came the eventual need to expand the categories to achieve greater coverage of potential influences on performance. At this point, it was time to include market failures within the toolkit. Table 8, below, offers a brief selection of the market failures examined as examples in order to provide a gateway into this part of the discussion. As with the governance categories, the listing is not comprehensive. While a series of tables dealing with market failures alone could be generated mimicking those presented above, it is sufficient to recognize that this could be accomplished. The true benefit of utilizing market failures, however, is as an addition to the prior discussion.

Table 8: Market Failures

Market Failure	Description
Natural Monopoly	Uncompetitive market
Information Asymmetry	Distribution of information varies
Externalities	Unintended impacts
Public Goods	Rivalry, excludability, congestion

The two components of a more robust analysis can now be represented in a single apparatus. With governance and market failures captured in the same device, a more complex and useful tool for explaining results is presented. In this construction potential causes and interactive effects can examine actors and events simultaneously. As an additional enhancement, categories of success as well as failure are offered here as a means of more completely distilling event results within a contained framework.

The inclusion of severity rankings is, of course, possible here too. In short the various heuristics that emerge in the prior governance failure examples can be brought forward in this framework, as well. However, while a complete inventory of all categories is possible, it may become more helpful to detail only areas of impact - as shown in Table 9.

As discussed in the earlier portion of this paper, students of public sector performance may wish to review multiple events at one time. Table 10 provides an example of how this can be accomplished with multiple-event analysis. Once again, success and failure categories are provided, as well as interactive impacts.

Table 9: Market and Governance System Assessment Tool (Single Event)

Category/Result	Success	Failure	Interaction	Lesson Learned
Organizational	X			
Analytical		X	Externality	
Judicial	X			
Civic		X		
Externality		X	Analytical	
Natural Monopoly		X		

Key: "X" represents: category of success or failure.

Table 10: Market and Governance System Assessment Tool (Multiple Event)

Category/Result	Event A	Result	Event B	Result	Interaction	Lesson Learned
Organizational		S				
Analytical		F		F		
Judicial				S		
Civic		F		F	Externality	
Externality		S		S	Civic	
Natural Monopoly		F		F		

Market and Governance System Assessment: Underlying Goals and Values

Public policy values can be broken down into "substantive values" and "instrumental values" (see Weimer and Vining, 2017; or, Smith and Larimer, 2013; and Lindblom, 1959 and 1979 for background). The purpose of good public policy is to advance the conception of the good society as illuminated the substantive values – efficiency, human dignity, equity, for example (Weimer and Vining, 2017). Instrumental values make the substantive values possible – political feasibility, financial feasibility, technical feasibility, for example (Weimer and Vining, 2017; and, Rose, 1991 and 1993). Each of these values, and others, can become goals in and of themselves. They can then be examined in relation to a specific problem (sometimes with well-defined impact categories to focus their importance in determining results for alternatives at hand). With this, problem specific goal achievement can be related back to the original broad value.

The issue of whether or not values and goals are interconnected in the policy and implementation process is more a question of "how", rather than "whether or not." Since the values to maximize become issue specific goals for consideration in analysis (once settled upon), the fact that interconnection exists is fairly plain to see. Studies in this area can be traced back to discussion found in Lindblom's 1959 article on "Muddling Through," in order to get at the "how" of the issue. Is the interconnection part of an iterative process that is regimented and occurring in stages – as the "root" discussion

would suggest? Or, is the interconnection more of a fluid experience than that, as suggested by the "branch" discussion?

As substantive and instrumental values are settled upon for problem analysis, they become goals that are often honed within impact categories to sharpen the resulting review. This allows for selection of an alternative for recommendation, or at least a refinement of the understanding about why the problem exists in the first place. When connected to knowledge about existing market and governance systems failures, this information helps to paint a more comprehensive picture about the scenario under review. Table 11, below offers a snapshot of how these values and goals can be employed to guide action oriented analysis. After having unearthed the market and governance system failures at the base of a performance predicament, the values and goals that have been minimized and maximized can more completely illustrate the road behind, and still to come, for response.

Table 11: Value and Goal Review

Values-Goals/Prioritization	Maximized	Minimized	Interactive Effects	Lessons Learned
Human Dignity	X			
Efficiency		X	Analytical/Information	
Equity	X			
Transparency	X			
Political Feasibility	X			
Financial Feasibility		X	Executive	
Effectiveness	X			

Conclusion

The bulk of this paper has been devoted to displaying how governance failure and market failure categories can be modeled in such a way as to enhance analysis of public sector performance problems. The variety of tools and techniques discussed allow teachers, analysts, decision-makers and researchers ways to visualize system constraints and weaknesses that have led to problems in implementation. Further still, these same instruments can help point the way forward to potential solutions for said shortcomings.

Table 12: Analytical Tool Application and Contribution

Application/Impact	High	Medium	Low
Teaching	X		
Decision-Making		X	
Quick Policy Analysis		X	
Policy Research			X

My experience with the instruments outlined in this paper is that they offer different levels of usefulness to academics and practitioners. As Table 12 displays, these

approaches improve study and action unevenly. However, if others choose to apply the tools in their work they may come to alternative conclusions.

In short, my findings continue to convince me that these tools are most valuable as teaching supplements. Students are able to examine failure categories across a range of concerns with focus and detail that is harder to achieve without efforts to simplify engagement of background material in this fashion. As such, with proper set up, they offer understandable ways into complicated discussions on performance.

Where decision-making is concerned, I see parsing failure categories to be somewhat less useful. However, analysts, advisors, and decision-makers can still access results of the tables in short order. This allows for rapid review and explanation of problems on the road to taking corrective action. As has been noted in past research (see Neustadt and May: 1986, in particular), decision-makers tend to rely on their own intuition and worldviews during high-pressure situations. Efforts and approaches that can break into that process in order to inform, slow down and improve uses of analogies and first-hand knowledge in clarifying conclusions and determinations about performance short-comings is a worthwhile pursuit. However, thinking the extent that the information offered in the tables would alter said activities is difficult to determine.

From the analyst's perspective, quick policy analysis might very well be improved with application of these techniques – as long as information exists to reliably carry out the efforts. As much of quick policy analysis relies on focused problem review that attempts to zero-in on weaknesses without extraneous and time wasting research, the tools presented in this paper can allow for refinement of a short-term study on route to offering worthwhile options to remedy. However, in the analyst's hands, use of governance and market failure categories is not likely to be the primary tool in an appraisal. Teachers can engage the material more directly, concentrating on the point and purpose of the categories, however – making it of higher value in educational contexts.

Finally, the use of the tools and techniques presented in this paper are likely to be of least use in policy research. Where time, money, human power and other resources can be brought to bear in the study of performance problems, the need for simplification and speedy assessment of results becomes less of a priority. While the underlying concerns of such analysis may continue to exist in policy research, the methods offered here would likely be sacrificed to more in-depth and rigorous study. Given such a result, this venue would be least likely to benefit from the ideas presented. While the tables would retain presentational value, they would not serve as a spur to analysis as much as a reporting tool of what has already been completed.

All in all, parsing governance and market failure categories for analysis offers a means for clarifying and explaining hidden influences on complex performance problems. The value of drawing out differing means of exploring these groupings

allows for better understanding, explanation and reaction by a variety of professionals – although to varying degrees. To that end, I would recommend that the process continue to be explored going forward in order to determine if other gains can be achieved from reviewing the categories individually or in tandem.

Note

1.   A version of this paper was originally presented at the Transatlantic Dialogue Conference in New York City, New York, October 20-22. 2019.

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