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*Policy Implementation Arrangements: Organizational, Structural and  
Managerial Aspects*

**Title of the paper**

*Decision Heuristics, Governance and Public Policies's Performance*

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## Abstract

This theoretical essay pretends to develop the hypothesis of how decision heuristics at public policy processes contribute to improve the decision-making process, leading to more rational decisions from public officials, impacting the reach of better results in public policy implementation. The hypothesis is based on the Theory of Bounded Rationality, Neo-institutionalism and Policy Analysis, and it is believed, therefore, that decision heuristics can explain the performance in public policies. It should be emphasized that the study of institutions requires the recognition of two background conditions: the condition of social foundation and the attributes of human actors. Thus, the present essay is developed considering both background conditions. The first section of the essay seeks to clarify the attributes of the human actors considered by the Theory of Bounded Rationality. This theory considers that individuals seek to be rational, however, are constrained by limited cognitive ability and incomplete information. This approach seeks to interpret human behavior as a result of the constraints imposed by a set of "appropriate rules or exemplary behaviors" that have cognitive and normative components. Thus, this theory presents the epistemological basis of this proposal and shows which visions of the world, individual and Society it is based upon. It is the logic that underlies the proposed analysis model, since it is based on the premise that the actors involved have bounded rationality and seek heuristics capable of bringing greater rationality to the processes of policy implementation. Starting from the definition that Public Policies are decisions, being what the State does in response to political challenges. We opted for the theoretical approach of Public Policies that deals with the interrelationship between political institutions, the political process and the contents of politics, the Policy Analysis. This approach aims at a better understanding of the increasingly interactive and dynamic relational complexity of the political-administrative system in action. Considering Policy Analysis's approach, Neo-institutionalism appears as the theoretical orientation that offers the set of premises to the proposed approach. This theoretical current emphasizes the relative autonomy of political institutions and is a theoretical alternative in which institutions return to assume the role of variables that explain the political dynamics of the actors on an empirical basis. It is in this context that the intention is to identify structuring elements of governance that can contribute to improve performance in public policies. Finally, Public Policy Governance is reached, understood as a model of coordination of certain institutional arrangements, which is the central aspect of our hypothesis, which seeks to explore the evidence that governance, as a rational heuristic of the decision-making process can generate positive impacts on the results achieved by public policies.

**Keywords:** governance, decision making process, heuristic of the decision-making process, public policies.



## INTRODUCTION

Public policies are decisions. A public policy is what the government decides to do or not. It is what the state does in response to political challenges. (Shaffitz, Russell and Burke, 2007). Field of knowledge which aims at the same time, "the government put into action" and / or analyze this action (independent variable) and, where necessary, propose changes in the course of these actions (dependent variable). Thus, it is critical to understand the logic behind decision-making processes to understand the results of public policies. This essay aims to present the hypothesis of how the construction of more rational decision heuristics lead to achieving better results in the implementation of public policies.

Fiani (2013) argues that the institutional arrangements are important for the formulation of policies, especially for policies that require cooperation from private agents. The author also points out that "there is evidence that the construction of appropriate institutional arrangements is a prerequisite for the achievement of successful public policy" (Fiani, 2013, p.8).

The hypothesis is based on the Theory of Bounded Rationality, Neoinstitutionalism and Policy Analysis. For the study of institutions it is necessary to recognize two conditions of background: the condition of social foundation (GRANOVETTER, 1985; VICTOR NEE, 1997 apud FIANI, 2013) and the attributes of human actors (HEBERT SIMON, 1985; LEDA COSMIDES; JOHN TOOBY, 1994, 1996 apud FIANI, 2013). Thus, this essay was developed considering both background conditions.

This study is based on the attributes of the human actors considered by the Theory of Bounded Rationality. This study is based on the attributes of the human actors considered by the Theory of Bounded Rationality. This approach seeks to interpret human behavior as a result of restrictions imposed by a set of "appropriate rules or exemplary behavior", which have cognitive and normative components. Thus, this theory presents the epistemological basis of this proposal. This is the logic behind the proposed analysis model, since it is



assumes that the involved actors have limited rationality and seek heuristics able to bring greater rationality to policy implementation processes.

Starting from the definition that **Public Policies** are decisions. It was decided to adopt *Policy Analysis* as a theoretical approach. This approach addresses the interrelationship between political institutions, the political process and policy content. This approach aims to better understand the increasingly interactive and dynamic relational complexity of the political-administrative system in action.

Considering Policy Analysis approach, **Neo-institutionalism** appears as the theoretical orientation that offers the set of premises to the proposed approach. This theoretical current emphasizes the relative autonomy of political institutions and is a theoretical alternative in which institutions return to assume the role of variables that explain the political dynamics of the actors on an empirical basis.

It should be noted that the decision-making process involving predominantly multifunctional and transversal public policies, with often joint, complementary and / or substitute effects, results in problems with complex solutions (PEDROSO, 2011). Given this scenario, studies on public policies focused on approaching the policy process applied to governance structures gain importance.

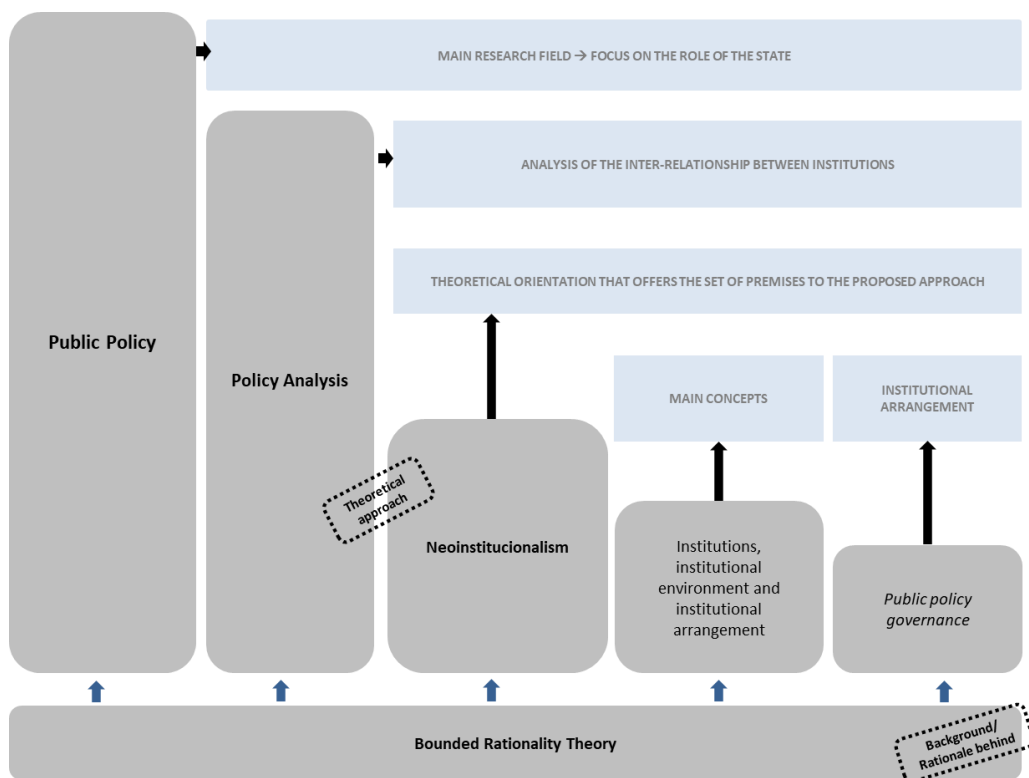
As a research gap in public policy studies, Abrucio, Filippim and Dieguez (2013) have pointed out the lack of studies that address the construction mechanisms of coordination and partnership between the levels of government to solve collective action dilemmas and public policy issues. In this context, discussions on institutional arrangements and the promotion of public policies quality become more important. Institutional arrangements, such as governance structures, represent coordination mechanisms listed as alternatives to circumvent problems of collective action against a backdrop of complex policies.

Fiani (2013) also emphasizes that "institutional arrangements offer a much more promising and interesting possibility [of analysis] by providing analytical instruments for public policies" (Free translation, FIANI, 2013, p.6). In this sense, an in-depth analysis of the institutional arrangement 'governance structure' may provide theoretical evidence on the

relationship between public policy outcomes and related institutional arrangements, a dimension of study still under-explored.

In this context, it is intended to identify structural elements of governance which can help to improve performance in public policy. Finally, can be reached Governance Public Policy, understood here as a model of coordination of certain institutional arrangements. That being the central aspect of our hypothesis, which aims to explore evidence that governance, as a rational heuristics in decision making process, can generate positive impacts on public policies. The following is summary picture showing the main relationships of the theoretical foundations used for construction of the proposed hypothesis.

**Figure 1**  
**Schematic picture regarding the theoretical elements that support the hypothesis proposed**



Source: prepared by the author



## Theory of Bounded Rationality

The Theory of Bounded Rationality is an alternative approach to Comprehensive Rationality, which assumes a means optimization relationship and outcomes linked to objective factors. This perspective of rationality, however, ignores the fact that almost always decided quickly, based on experience, in habits or rules.

Simon (1957), March (2009) and Jones (2002) identified structuring failures in the models of comprehensive rationality. Thus, these authors come to understand the need to consider new forms of rationality underlying decision-making processes. In this context, the Theory of Bounded Rationality gains strength, being a more robust theoretical alternative. For Jones (2002), the Bounded Rationality has shown superior in two aspects. It performs better on the link between the procedures of human choice in organizational processes and policy, as well as in anticipation of its results, particularly in the discussion of collective behavior.

As a more realistic proposal, Simon (1957) and March (2009) formulated a new decision-making model based on a perspective of Bounded Rationality. Simon (1957) builds the concept of administrative man that contrasts the concept of economicus man. The administrative man looks for an action that is "good enough" instead of seeking the "best alternative".

According to March (2009), the central idea of bounded rationality is that individuals seek to be rational. However, they are constrained by limited cognitive ability and incomplete information. Thus, their actions can not be completely rational, despite their best intentions and best efforts. Individuals decision makers face limitations of attention, memory, understanding and communication.

Individuals develop procedures that retain the basic structure of rational choice but modify it to accommodate these difficulties. These procedures form the core of theory of bounded rationality. These are **various information and decision strategies to deal with the limitations of their information-processing skills.**

Another concept elaborated by Simon (1957), and also worked by March (2009), is a concept of satisficing. Satisficing presupposes that people are more concerned with



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successes or failures in relation to a goal than with degrees of success or failure. Satisficing theories of bounded rationality presuppose two adaptive processes that approximate aspirations and performances: a) aspirations adapt to performance, and; b) performances adapt to aspirations. The quest ceases when goals are reached, and if they are low enough, not all resources will actually be used. The resulting margin of comfort is the "bedrock" of unexplored opportunities and unfamiliar economies.

March (2009) points out that while in the paradigm of comprehensive rationality, the rules of the decision process are endogenous, under the bounded rationality paradigm, rules are perceived as a fundamental point, and rationality is only a derivative. **The idea is to establish identities and find rules for recognized situations.**

Identities and rules change as part of the process by which institutions adapt to their environments. These theories assume that individuals and institutions survive and thrive as their standard practices adapt to environmental demands. Individuals follow rules, but rules change. As rules change, decision behavior also changes.

In this sense, a decision will be described as "rational" if taken within a process to follow standard procedures for the selection of possible alternatives in relation to expectations about future consequences. In collective decisions, incomplete attention to inconsistencies in preferences and identities can be helped by mechanisms that hide contradictions.

Essentially, the theory of rationality Limited stands as theoretical logic behind the proposed hypothesis, since it is part of the premise that decision makers have bounded rationality and seek heuristics able to bring greater rationality to policy implementation processes. And it is from this set of assumptions that this essay seeks to analyze the governance and its relationship to performance in the implementation of public policies.



## Policy Analysis

As highlighted earlier, public policies are decisions. These decisions have taken place in complex environments, involving predominantly multifunctional and transversal public policies, which results in complex problems and solutions (PEDROSO, 2011). Escobar (2008) emphasizes that the formulation and implementation of policies carried out through hierarchical structures have been replaced by others characterized as polycentric and horizontal. This reality has been imposed due to greater complexity of political and administrative processes, which can be characterized by mutual dependence, since "no single actor has control of resources, the speed of change and the process as a whole" (Free Translation, ESCOBAR, 2008, p.14).

Carney (2013) points out that given the complexity of the phenomenon and the number of processes involved in public policy, the multi-theoretical approaches become relevant in research in the field. Allowing the understanding of the various factors that affect and are affected in public policy processes. Examples of such factors: the role of institutions, policy networks, exogenous factors, choices and values.

Brian and Alford (2013) examine major organizational and cognitive dimensions that emerge from the literature review on wicked problems in public policy. The authors argue that solutions can be developed, despite the difficulties in reforming governance processes to address more effectively the wicked problems.

The analyzes drawn from the understanding of complex issues in public policies and its unforeseen consequences in the intervention of public policy in areas of risk and uncertainty have emerged in various fields during the 1970s (BRIAN; ALFORD, 2013). Modern problems of "social or political planning," according Rittel and Webber's (1973), are different from technical puzzles addressed by the physical sciences and engineering, usually are "ill-defined" and depend on political judgments rather than scientific certainties. Thus, most of the main public policy problems are "perverse", essentially resistant to a clear definition and an agreed solution.

It is in this scenario that studies that purport to analyze public policies emphasizing the policy process approach and Policy Analysis gain importance. It is important to





emphasize the approach of the policy process applied to governance structures to deal with that complexity. These structures involve delegation of relations and intermediation, where there are many actors involved, which have heterogeneous preferences, different degrees of access to information and incentive structures.

Procopiuk e Frey (2009) explicam que a Policy Analysis permite, pois, abordar simultaneamente as inter-relações institucionais, os processos políticos e o conteúdo da política articulada:

The Policy Analysis therefore aims at a better understanding of relational complexity, more and more interactive and dynamic, the political and administrative system in action, namely the development and implementation of public policies. In addition, it offers important evaluation instruments specially designed to obtain subsidies for the improvement of public management and political processes by allowing to highlight the positioning of the different actors and the effects of their decisions in their relational environment. (Free translation. PROCOPIUK; FREY, 2009, page 64).

Thus, procedures or processes of choice are established in order to preserve the basic structure of rational choice, modifying it to accommodate difficulties related to the context of bounded rationality (imperfect information and cognitive limitations of agents). Using the Policy Analysis approach, considering a scenario with bounded rationality of actors, the analysis of these processes or procedures that make up the governance structure becomes more effective. Thus, the definition of Policy Analysis provides support for the investigation of the proposed hypothesis, which seeks to investigate which factors may affect the results achieved by the implementation of public policies, thus analyzing State action.

## Neoinstitucionalism

Contemporary political theories were strongly influenced by economics, especially from the results of the pioneering works of Anthony Downs, James Buchanan, Gordon Tullock, George Stigler and Mancur Olson (Ferejohn, Pasquino, 2001). These works start from three premises: rational individuals fight for their own interests; preferences are complete and transitive and individuals adopt strategies of maximization to decide, that is, social agents would be interested in the maximization of wealth, votes, or other dimensions



more or less measurable in terms of quantities and subject to constraints of material resources (OSTROM, OSTROM, 1971).

The works of this theoretical approach tend to portray politics as a reflection of society; political phenomena as the aggregate consequences of individual behavior; action as the result of choices based on calculated self-interest; history as being efficient in achieving unique and appropriated outcomes and decision-making and resource allocation as the focal points of political life (MARCH; OLSEN, 2008).

However, several authors (FEREJOHN; PASQUINO, 2001; MARCH; OLSEN, 2008; MARCH, 2009) consider that existing experimental evidence suggests that people systematically deviate from the predictions of this theory of choice. Thus, in counterpoint to this theoretical model, neoinstitutionalism, illustrated by March and Olsen (2008), emerges as a recent theoretical thought in Political Science that combines elements of these theoretical styles with a concern about institutions. For the authors, this theoretical current emphasizes the relative autonomy of political institutions, the possibilities of inefficiency in history, and the importance of symbolic action for an understanding of politics.

March and Olsen (2008) point out that the revival of the institutions, as protagonists in the political process is a consequence of modern transformation of social institutions and the continuing review of its observers. "The social, political and economic institutions have become larger, considerably more complex and full of features and prima facie more important to collective life" (March, Olsen, 2008, p 121.)

The new institutionalism arises, as well as a theoretical alternative, where the institutions back into the role of explanatory variables of the political dynamics of the actors on empirical bases. According to Peres (2008), this ascension of the approach is due to a theoretical controversy in the field of Economics, focused on the problem of decision-making in a context of collective choices. According to the neoclassical approach:

the rational choices made individually, under certain conditions of rationality, would produce collective instability, that is, they would lead to irrationality from the social point of view. This was a clearly political problem to which economic behaviorism based on the simple and orthodox idea of "rational choice" individual could not answer, or theoretical point of view, [...] nor the empirical point of view, since, in the real world, collective decisions are taken with a certain degree of stability, contrary to what could be deduced from the theoretical model (PERES, 2008, 63).



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Rocha (2005) believes that neoinstitutionalism seeks to consolidate itself as a theoretical reference, opposing pluralist and Marxist models. The author emphasizes that, in the 50s and 60s, theoretical discussions prevailed based on these models. The pluralist analysis was based on the understanding that the government and its policies were the result of inputs from society. On the other hand, the Marxist analysis started from the relations between economy, social classes and State, understanding the State only with the role of defending the interests of capital. Both approaches focused their analysis on society:

Thus, in contrast to this approach, around the mid-1980s, the analytical neo-institutionalist model was diffused. In its first version, denominated state-centered, neoinstitutionalism places the state as a privileged analytical focus: it explains the nature of government policies (Free Translation. ROCHA, 2005: 13).

For March and Olsen (2008), neoinstitutionalism is based on a more autonomous role for political institutions in which the state is not only affected by society but also affects it. From this perspective, the authors understand political outcomes as a function of three factors: the distribution of preferences (interests) among political actors, the distribution of resources (power) and the constraints imposed by the game rules (constitutions).

For neoinstitutionalism, both preferences and the distribution of powers are not exogenous factors. It is argued that in politics, as well as in the rest of life, preferences are developed through a combination of education, indoctrination and experience. Similarly, political institutions affect the distribution of resources, which in turn affects the power of political actors, affecting therefore the political institutions.

March and Olsen (2008) emphasize that the main source of the institutionalist challenge is empirical. The authors point out that "observers of decision-making processes regularly discern characteristics that are difficult to relate to a conception of outcome-oriented collective choice" (MARCH; OLSEN, 2008, p 131).

Peres (2008) emphasizes that the neo-constitutionalists return to institutions as the primary object of the analysis, however, unlike the old institutionalism, they are exploring approaches that favor greater conceptual accuracy and operational definitions in order to prioritize empirical data treatment, a priority inherited from behaviorism . In short,



"neoinstitutionalism has as its central feature the theoretical epistemological and methodological synthesis of the behaviorism with part of the former old institutionalism" (Peres, 2008, p. 65).

Finally, this essay is framed in the neoinstitutionalist theoretical approach, since it recognizes the importance of the institutions for the formulation of public policies, as well as the centrality of the State in this process, which has its operations influenced by institutions while influencing them. In this context, this proposal aims to analyze governance, proposing theoretical model analysis that relates rational decision heuristics to better results in the implementation of public policies.

## **Institutions, Institutional Environment and Institutional Arrangement**

For the initial topic of analysis, it is considered important literature review of some concepts / definitions relevant to the understanding of the proposal, they are the concept of institution, institutional environment and institutional arrangement. Fiani (2011) addresses the interface between institutional institutions, environment and arrangement, and governance structures. For the author, it is aimed at promoting cooperation and reducing conflicts, in order to increase the coordination between economic activities and reduce the waste, that the societies elaborate rules - institutions. In this sense, institutions can promote cooperation and reduce conflicts of interest that threaten to limit the necessary transactions for the factors of production are combined.

Pires and Gomide (2014) point out two important debates about the institutional context of implementation of public policies in Brazil. The first debate addresses the importance of the quality of state bureaucracies for the implementation of development policies. The second is the relation between the activism of these state bureaucracies and the inclusion of social and political actors.

For Fiani (2011), when analyzing institutions we must consider the institutional environment and the institutional arrangement. To define the institutional environment, the author uses the definition proposed by Davis and North (1971), in which the institutional



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environment is the set of fundamental political, social and legal rules that establishes the basis for the production, exchange and distribution. Institutional arrangements are arrangements between economic units, which govern how these units can cooperate or compete, how an economic system coordinates a specific set of economic activities.

There are different institutional structures that organize the interaction between agents in society. These institutional structures are called governance structures. By studying governance, the researcher is studying, so institutional arrangements that regulate interactions. It is worth noting that in addition to the institutional arrangements, the institutional environment also differs, and this may be more or less subject to disturbances.

Regarding the governance structure, Fiani (2011) chooses to adopt the definition that understands how:

the set of rules - institutions - that provide the framework in which transactions develop. The governance structure rules specify which agents are involved in a transaction, what is its object (or what are its objects), and what kind of interactions can there be between the agents in the transaction development. (Free translation. FIANI, 2011, p. 93)

The institutional environment is the organizational basis for agents organize specific institutional arrangements related to particular transactions. Thus, it is understood the institutional environment as a determinant of the governance structures cost parameters.

The concepts highlighted are central to the proposed analysis. These concepts were consolidated in the following table, Table 1, which explains four concepts central to this proposal: institutions, institutional environment, institutional arrangement and governance structure.

**Table 1**  
**Conceptual overview of aspects of institutions and governance**

Concept	Definition	Reference
Institutions	Institutions are rules of the game in a society or, more formally, are the constraints devised by men forming human interaction. As a consequence, they structure incentives in the exchange between men, be it political, social or economic.	North (1990)
	An institution will be defined as a set of formal and informal rules, including arrangements to ensure their obedience.	Furubotn e Richter (1998, p.6)
	Rules that constrain the behavior of agents.	Fiani (2013, p. 20)
Institutional environment	It is the foundation for the functioning of political, economic and social systems, institutional arrangements.	Gomide e Pires (2014)
	They are more basic and general political, social and legal rules that lay the foundation for the functioning of the economic system. These general and basic rules would define the political and economic system.	Davis e North (1971)
Institutional arrangements	<b>The rules that private agents would establish for themselves, in their economic transactions or in their particular political and social relations.</b>	<b>Davis e North (1971)</b>
	Set of rules, mechanisms and processes that define the particular way they coordinate actors and interests in the implementation of a specific public policy.	Gomide e Pires (2014, p. 13)
	Rules, organizations and processes that define the specific design of a public policy, establishing the articulation between its actors and interests.	Lotta, Galvão e Favareto (2016, p. 2761)
Governance structures	They are "institutional arrangements governing the operation of the economic system."	Fiani (2011, p. 84)
	set of rules - institutions - that provide the framework in which transactions are developed. The rules of a governance structure specify which agents involved in a transaction, which is its object (or what your objects) and what kind of interactions may be among the actors in the development of the transaction.	Fiani (2011, p. 93)

Source: prepared by the author

Among the authors of the neoinstitutionalist current there is a clear consensus: institutions matter and are explanatory variables for the results of state action in public policies and, consequently, in economic development. However, there are still two important analytical perspectives. The first perspective emphasizes the role of the institutional environment to promote development. The other points to the appropriate institutional arrangements as the main driver of economic development.

Acemoglu and Robinson (2012) believe that differences in countries' economic development are a direct consequence of political and economic institutions. In this context, political institutions play a key role since they are the ones that shape and define the model



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that economic institutions assume. In this proposal it is clear the role of the institutional environment for promoting development.

Pires and Gomide (2014) emphasize the importance of institutional arrangements for development. For the authors the institutional arrangements in public policies are impacted by two dimensions the technical-administrative capacity and the political capacity. Thus, even in a context where institutional environment is characterized by the existence of representative, participatory and control institutions (social, bureaucratic and judicial), political capacities are also needed for the inclusion of multiple actors, the processing of conflicts and formation of political coalitions to support the objectives and strategies to be adopted.

Lotta and Favareto (2016) cite the existence of four fundamental categories of analysis to understand an organizational arrangement in the Brazilian case: intersectorality, federative relations, social participation and territoriality. These dimensions are capable of relating the articulation between the various actors involved in public policies.

Fiani (2013) argues that the institutional arrangements are important for the formulation of development policies, especially for policies that require cooperation from private agents. The author also points out that "there is evidence that the construction of appropriate institutional arrangements is a prerequisite for the successful achievement of public policy" (Fiani, 2013, p.8).

Lotta and Favareto (2014) present the analysis of institutional arrangements as an important mechanism for the observation of central variables to understand how actors are defined, how governance is carried out, including decision processes and degrees of autonomy. For Fiani, "institutional arrangements offer a much more promising and interesting possibility by providing analytical tools for public policy when there is a need for private agent cooperation" (FIANI, 2013, p.6).



## Governance of Public Policies

The analysis of governance structures requires the understanding of the concept of governance, however there is no consensus on this concept. Bovaird (2005) states that the emergence of governance as a key concept in the public domain is relatively recent. Peci, Pieranti and Rodrigues (2008) and Bovaird (2005) emphasize that the evolution of public administration and public management reforms in recent decades has given rise to a discussion on governance.

Bovaird (2005) also states that in the 1980s and early 1990s, the 'New Public Management' (NPM) emerged as a dominant point in the public administration literature, not only in the US and UK, but also in many other parts of world. However, Peci, Pieranti and Rodrigues (2008) emphasize that governance is becoming increasingly important in a context of complex relationships. Since the limited NPM models do not satisfactorily explain the complex and dynamic processes of contemporary public decision-making.

Added to this the fact that the traditional bureaucracies have been unable to solve the kinds of problems that the government faces today. These problems - often called "wicked problems" - have no clear solutions, only temporary and imperfect resolutions (HARMON; MAYER 1986 cited MCGUIRE, 2006). O'Toole (1997) suggests that policies that deal with such complex issues require more coordination structures for their implementation.

In order to organize the various definitions of governance raised in the literature, we present the following summary table:



**Table 2  
Governance Definitions**

Definitions	References
"Self-organization of inter-institutional networks characterized by independence, resource exchange, rules of the game and significant autonomy of the state."	Rhodes (1997, p.15).
Governance is the decision-making process and the process by which decisions are implemented or not implemented. It can be seen as a set of measures of the relations between: governed and the government. The governance means rules of the game (the relationship between rulers and ruled), players in the game, and the "referee", if any. Active players are the state (government and its institutions) and elements of civil society.	McCall e Dunn (2012)
The interactions between structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are made, and how citizens or other stakeholders will be heard.	Graham et al. (2003, p. 2)
Describes the relationship that the State (the political domain and bureaucrats) developed with the private sector (area of businesses and consumers) and the third sector (field of citizenship organized around their interests).	Peci, Pieranti e Rodrigues, (2008)

Source: prepared by the author

Among the various existing definitions, the one that arises from studies aimed to identify the conditions that ensure an efficient State is the best suited to this proposal goals. Thus, we have understood governance as "shifting the focus of attention from the strictly economic implications of state action to a broader view, involving the social and political dimensions of public management" (DINIZ 1995: 400). The governing capability shall be evaluated also by the way the government exercises its power.

France, Junior and Sampaio (2012) also carried out literature review on the concept of governance. For the authors this concept

is oriented to political phenomena, expressive in the modern era and contemporaneously with some peculiarities. When it comes to governance, the sense of reciprocity between actors, structures and institutions becomes present in the field of analysis and in the propositional universe of public policies (Free translation. FRANCE, JUNIOR, SAMPAIO, 2012, 115).

Bovaird's (2005) definition of governance is that governance "is the rules, structures, and processes which constitute the principles of public governance that must be established and agreed upon within a government."

According to Kauffmann, Kraay and Mastruzzi (2004), governance can be understood as the totality of the various ways in which individuals and institutions, public and private, manage their common problems cooperatively. Thus, governance concerns not only the

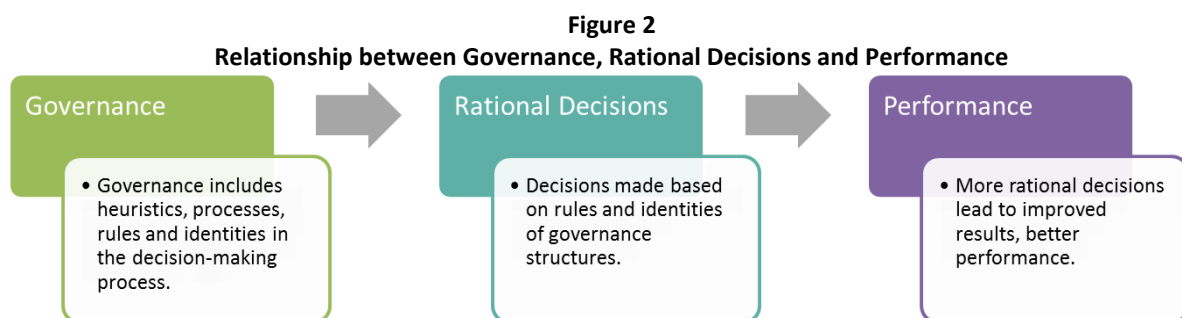
formal institutions and regimes allowed to impose obedience, but also informal arrangements that meet the interests of people and institutions. France, Junior and Sampaio (2012) also point out that governance in the public sphere confers on governments effectiveness as a provider of services to society.

Fiani (2011, p.99) highlighted that "every governance structure presents a cost to be incurred: a cost of establishment" these costs involve trading costs for defining the terms and rules of interaction between actors. Although, the establishment of these structures becomes advantageous for allowing the provision of better quality services.

### Decision Heuristics, Governance and Performance of Public Policies

In the final session of this paper sought to identify evidence in the literature of the relationship between performance in the implementation of public policies and the governance structure adopted. To recap the concepts presented above, the institutional context involves the set of formal and informal rules that influence the behavior of people and organizations, as well as ways to interpret and apply these rules in practice (CALMON; COSTA, 2013).

Governance in this context can be understood as the set of rules, traditions, institutions and processes that determine the form of State action and how decisions are made involving issues of public interest. So, you can understand heuristic decision as contributing to increased rationality in decision making processes. Figure 2 seeks to summarize a possible relationship between Governance and Public Policy Performance.



Source: prepared by the author



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It should be noted that the State has reconfigured itself and assumed a new role. Peci, Pieranti, and Rodrigues (2008) point out the changes in the role of the State in the face of the current configuration of public policy governance networks, in which the State assumes the role of catalyst, articulator and facilitator of the market and civil society.

Governance assumes a special role in this new scenario, where the need for agreements, negotiation and transparency emerge as inherent to democratic logic and, thus, to governance models.

Arretche (1996) argues that the realization of the democratic ideal depends on the possibility that certain principles can be translated into effective political institutions. Also in this sense the author emphasizes that building institutions whose nature and for which specific operating forms are required to be compatible with democratic principles that guide the expected results.

Thus, observing democratic principles can be easily linked to the observation of the principles of governance, the so-called decision heuristics that contribute to the increase of process rationality.

Peci, Pieranti, Rodrigues (2008) reinforce that the organization of public administration is much more difficult in a democracy than in authoritarian contexts. This led to the association that the search for efficiency is in opposition to principles of democracy (linked to the principles of Governance).

In discussing the principles of good governance, Bovaird (2005) presents the trade-off between applying governance principles and achieving efficiency. For the author the principles of public governance are clearly important. Although, it is not possible to reach all at the same time. Peci, Pieranti and Rodrigues (2008) explain that this dilemma implies the need for a search for efficiency, subject to the principle of transparency and the validity of the democratic regime.



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Moynihan et al. (2011) explain that the search for efficiency gains importance for its image in a simple and neutral way to monitor and improve government. Though, contemporary governance is characterized by complexity. The authors point out as a variable to be considered, the pressure that public officials face in the implementation of public policies, in a context where their performance is defined by quantitative indicators, disregarding the complex context in which they operate.

Moynihan et al. (2011) also highlights the need to better understand the results of the interaction of performance schemes and their context. For the authors, from the practical point of view, it is necessary to design performance schemes that are consistent with the basic rules that characterize a democratic government, although they recognize that these values are often in conflict (Rosenbloom, 1983 cited by Moynihan, 2011). In this context, it is clear the need to adopt performance schemes more carefully designed to reflect the complexity of contemporary governance, as well as to track the relationship between performance and governance in order to think about alternatives to traditional models of evaluation and monitoring.

It is important to keep in mind, that the provision of public programs and policies is characterized by complex tasks, various goals, multiple indicators, and different choice. The idea of measuring performance appears with the aim of improving the performance of the bureaucracy, but it is clear the need for adaptation of performance measurement mechanisms to governance models that seek to incorporate the rights and opinions of citizens, as well as the complications of global networks and forms of coordination.

The idea is to emphasize that performance appraisals shift the attention of other democratic values, for example, legal process, equity, integrity, citizenship and transparency. Given this scenario, Epstein, Coates and Wray (2005) have highlighted the importance of measuring performance considering variables such as equity, participation, respect for processes, and transparency, and the ways in which citizens are involved in these processes.



In this context, evaluating governance and perceiving evidence of its relation to performance can bring important contributions to the field. In this context, evaluating governance and perceiving evidence of its relation to performance can bring important contributions to the field. Since it is understood the evaluation not only as the measurement of the efficiency of the public expenses, but of a whole process of social participation.

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