

Policy Formulation and Development: A Review of Processes, Techniques, and Stakeholder Dynamics

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Abstract

Policy formulation is a critical stage in development process because it determines the design strategies and actions aimed at addressing societal problems. Effective formulation of policies requires integration of analytical tools and participation of diverse stakeholders. This paper reviews the processes, techniques, and stakeholder dynamics that shape policy formulation and development. It draws on the existing literature to provide a comprehensive understanding of how policies are designed and refined. It explores the intricate process of policy formulation within a sociological framework, emphasizing its significance in shaping societal outcomes. It begins by defining policy formulation, establishing a foundation for understanding the various approaches that guide this process. The paper then outlines the techniques employed in policy formulation including cost-benefit analysis, forecasting, operational research and the Planning Programming Budgeting System (PPBS). The paper also discusses the major approaches and models of policy formulation such as the rational model, elite theory, systems model and game theory. The study outlines the sequential steps in crafting effective policies, highlighting the importance of a clear rationale behind policy initiatives. The central role of various stakeholders including government actors, interest groups and the public is examined, showcasing how their input and collaboration shape policy directions. The paper further delves into the factors that influence policy formulation, including political, economic, and social dynamics and underscores the critical role of research in ensuring informed decision-making. The paper concludes that effective policy formulation requires a balance between analytical rigour and political realities as well as meaningful stakeholder engagement. The study recommends strengthening evidence-based analysis, promoting inclusive stakeholder participation, and enhancing institutional capacity for effective policy development. The paper contributes to a deeper understanding of how policies are formulated and the complex interplay of forces that influence the policy formulation process.

Keywords: Policy Formulation, Policy Models, Stakeholder Participation, Policy Rationale, Cost-Benefit Analysis.

Introduction

A policy is a comprehensive statement that reflects future goals and aspirations and provides guidelines for carrying out those goals. Accordingly, Policy formulation is the development of effective and acceptable courses of action for addressing what has been placed on the policy agenda. It is how problems identified in the agenda-setting phase transform into programs (Katarina et al, 2021). Policy-making process is an organized series of steps designed to bring about specific results, transforming political goals into actionable public policies (Pepperdine School of Public Policy, 2025). Simply stated, policy formulation is the art of making or designing policies. It is an act of finding the optimal solution to a complicated problem. Scholars argue that policy formulation involves analysis and identification of alternatives to solving issues and this comprises of analysis that identifies the most effective policies and political authorization (Fisher et al 2007, Morales-Gomez & Torres, 1995). Formulation of policy involves a process of making good decisions for the public good. It is the development of pertinent and acceptable courses of action for dealing with public problems.

There are two parts of the definition of policy formulation. First, is the ‘effective formulation’ (analytical aspect), and this means that policy proposed is regarded as an efficient and implementable solution to the issue(s) of interest. This means that when formulating policy, we must do a sound analysis, and the policy must be clearly conceived and articulated. If a policy is seen as an ineffective, or unworkable in practice, there is no legitimate reason to propose it. Second, is ‘acceptable formulation’ (Political aspect) which means that the proposed course of action will be authorized by the legitimate decision makers, preferably should be accepted by the majority and must be politically feasible.

When carrying out policy formulation, the question is how policies and programs involving different sectors are formulated and how the government and the civil society participate in the formulation of the decisions and activities affecting them. The participation of institutions and networks of civil society including NGOs, trade unions, professional associations, cooperatives, self-help groups, neighbourhood associations will allow a better definition of the needs and the means to satisfy them (Morales-Gomez & Torres, 1995).

As a technical process, policy formulation involves two distinct activities: first, decision of what should be done about a given problem. Second, adoption of legislation or administrative rules that appropriately enact the agreed upon principles. Thus, policy formulation is the actual part of pre-decision phase of policy making including crafting the goals and priorities, options, costs as well as expected benefits. It involves identifying a set of policy alternatives and public policy tools to address a problem (Turnpenny et al, 2015). The final solutions to the problem are chosen by judging the feasibility, political acceptance, cost and benefits. The actual formulation of policy involves the identification and analysis of actions that responds to these concerns (Sapru, 2010). Each possible solution is assessed against a number of factors such as probable effectiveness, potential costs, resources required for implementation, political context and community support. At the end, formulation of policy involves a process of making good decisions for the good of the society.

In summary the analytical and political aspects of policy formulation involve:

- Effective policy alternatives, presumably based on sound analysis, must be conceived and clearly articulated;
- A political choice among the possible alternatives. The policy must be authorized through a political process such as legislation or regulation;
- Use of professional skills and analytical tools to study an issue and to devise policy alternatives to address the issue.

Techniques Employed in Policy Formulation and Development

Development of a country depends on the quality of its policy framework, the decisions taken, especially the process involved in formulating policies. It is clear that developing countries throughout the world vary considerably in the ability and willingness to formulate and implement policies that will generate improved development performance (Corkery *etal*, 1995). Four main techniques are employed in order to develop appropriate policies. These techniques are outlined below.

Cost-Benefit Analysis

In this technique, the costs of a policy are estimated and set against the potential benefits it can offer to the community/citizens. Through use of this technique, policy makers are able to formulate policies that offers maximum benefits at the least cost to the people.

Forecasting

When developing policies, it is important to forecast trends. This means that policy makers will want to predict the impact or changes that the policy will have on the people. The policy maker asks the question: what will be the impact of the policy or programme on the community, a group or on the citizens if it is implemented? Policy makers must consider how a policy will contribute to improvement of the economic and social welfare of the community or the target group. Forecasting therefore helps policymakers to choose the best alternative policy or programme and to justify expenditure plans.

Operational Research and Applied Systems Analysis

Operational Research and Applied Systems Analysis (ORASA) technique is a scientific method in policy formulation that is used to enable policy makers to formulate a policy or enhance making of a decision in scenarios involving multiple variables and outcomes (Pruthi *etal* 2019, Radin 2013). Through this technique, the policy maker is able to choose a course of action by investigating the problem and selecting the best alternatives while improving services such as public health (Gimbel *etal*, 2023) by taking into consideration the likely impacts of the policy. This technique has been used in ORSA have the four main characteristics; namely: bias for action and improvement; values of 'rationality' and 'efficiency' which involves searching for an optimal or the most preferable solution to the problem; utilization of quantitative models; and looking at problems and alternatives in a broad way (Dror 1969, Petropoulos *etal* 2024, Rudan & Sheikh 2025).

Planning, Programming, Budgeting System (PPBS) Approach

First used in USA in the 1960s in improving budgeting and policy making process in the military field, PPBS is a management approach that is used to enhance the effectiveness and efficiency of resource

allocation and utilization in public sector organizations (Olufemi et al, 2024). The overall purpose of PPBS is to create rationality in the budgeting process. Through PPBS, the budgeting process is evaluated at every step hence enabling a thorough examination of goals related to a policy. Analysis of alternatives is made to find the most effective way of achieving the set objectives of the policy or a development programme. Although there are some differences in the complexity and development of PPBS in developed and developing countries, both share common goals, including improved governance, enhanced service delivery, and efficient resource utilization (Olufemi et al, 2024). In addition, many developing and underdeveloped countries' economies have started to embrace elements of the PPBS from the developed economies and have slowly incorporated the best practices and acclimatizing them to their explicit situations.

Models of Policy Formulation and Development

There are various models in the policy formulation. These models are briefly outlined below:

Elite Theory Model

Elite theory is a theory of state that explains power relationships in society. The proponents of this theory include Vilfredo Pareto (1848-1923), Gaetano Mosca (1858-1941) and Robert Michels (1876-1936), and it has been supported by Elmer Eric Schattschneider, C. Wright Mills and Floyd Hunter (Kumar, nd). The theory argues that formulation of policies is guided and driven by the standards, values and preferences of the elite members of society. The theory postulates that a small minority that consists of members of the economic elite and policy making networks, holds the most power and that this power is independent of democratic elections (Witten, 2015). It adopts a Marxist view that society is divided into those who have power and those who do not have it, and that it is the powerful (ruling elite) who determine the formulation of policies and not the poor masses. Through positions in corporations and influence over policymaking networks, through the financial support of foundations or positions with think tanks, or policy-discussion groups, elites exert significant power over corporate and government decisions. Therefore, the basic argument of this theory is that power is concentrated among the elites, the non-elites are diverse and powerless, elites' interests are unified due to common backgrounds, and positions and the defining characteristic of power is institutional position (Kumar, nd). Hence, according to this theoretical perspective, policies are formulated by the powerful segments of the population and decisions flow from the top and do not move up from the bottom. The masses are diverse and powerless and hence they cannot drive policy formulation.

Systems Model

This Model was proposed by David Easton, and it views Policy formulation as a political process that responds to the demands of the environment. It views politics as a dynamic process of authoritative allocation of values for a society (Easton, 1953). David Easton's systems model explains the relationship between the average citizens and how groups engage in political life. It describes the relationship of citizens and how they interact and influence the political system of their government. This interaction can be understood by looking at four components, namely, the input process; the decision-making process; output process; and feedback process.

The input process is made up of what people demand or want from the government, and support (obedience people give to the government such as paying taxes. Second is the Decision-Making Process (Throughput) which is where the political system (legislatures, bureaucracies) processes inputs to arrive at decisions. Third is the output Process which is the resultant products of the system, and includes regulations, laws and policies. Finally, is the Feedback Process, which is the reaction of public to the outputs, which then generates new inputs (PubAdmin.Institute, 2025). Thus, according to this perspective, policy formulation as a political process is driven by the desires and demands of the people. Furthermore, it argues that people only support the policy formulated if the policy is in response to their demands.

Rational /Decision Making Model

This model also called behavioural model of rational choice is associated with Herbert Simon and it argues that policy making is about making choices among different alternatives so that eventually policy makers choose the best option (Simon, 1955). He came up with the concept of bounded rationality, which postulates that people make decisions with constraints on the information and resources. He also came up with the concept of satisficing, which suggests that individuals aim to make decisions that are satisfactory rather than the most optimal. In other words, human beings are not always rational actors who make optimal choices based on complete information. Instead, rational choice theory argued that in reality, decision-makers operate under constraints of limited information, cognitive limitations, and time pressures (Sinebe, 2024). According to this model, policy making involves three activities, namely, Intelligence activity, design activity and choice activity. Intelligence activity entails searching the situation, calling for a decision and identifying the problem. Design activity is about identifying, developing and analysing various alternative courses of action. Choice activity is about selecting a particular course of action (the best option) from among the available options.

Game Theory Model

The game theory has its origins in the work of John Von Neumann & Oskar Morgenstern, and John Nash (Neumann & Morgenstern 1947, Nash 1953). Game theory is about strategy, how and why players (individuals and entities) make decisions about their situations. The theory conceives social scenarios among players who are engaged in a competition. Game theory is about how competing entities are engaged in different strategies in decision making process given the prevailing circumstances. The theory argues that policy making is a competitive process whereby some people may gain at the expense of others, so that one person's gains is another person's loss. The theory argues that in development of a policy, a segment of the population might lose while another group of the population may benefit from the policy. For instance, a policy that seeks to mainstream gender in an organisation might make women to benefit than men (Kariuki, 2023). In this theory the assumption is that players in the game are rational, and they therefore try to maximize their payoffs in the game.

Incremental Model

The incremental model of policy making was developed by Charles Lindblom, an American political scientist in an article the science of "Muddling through" (Lindblom, 1959). It posits that policies should be introduced on a smaller scale in the beginning and then they are expanded gradually. Under this model, Lindblom states that policies are expanded slowly and steadily, after knowing the workability and feasibility of the policy. Policies should not be formulated rapidly and in large scale without knowing their

repercussions. Thus, according to the model governments rarely make dramatic, sweeping changes to policies overnight. Instead of completely overhauling systems, they tend to make small, gradual adjustments and this approach is not by accident but a deliberate strategy rooted in what political scientist Charles Lindblom called the Incremental Model of policymaking (PubAdmin.Institute, 2024).

According to this model perfect policies are rarely available and unintended consequences are inevitable. Thus, Governments implement programmes in practice, by “muddling through”, which means that they learn by doing and that Policies are implemented on a small scale first, lessons are learned, and then they are expanded or modified. Second there is reversibility meaning that Changes are kept small enough that they can be undone if they create problems. Three there is Continuous adjustment meaning that rather than seeking permanent solutions, policies are constantly twisted based on new information and changing circumstances

Group Theory Model

The main proponents of this theory were Arthur Bentley and David Truman. They argue that politics is essentially group interactions and that democracy works better when multiple groups balance each other's power preventing domination by any group (Manty, 2006). They argue that public policy emerges from the interactions of organized groups. The group theory of public policy posits that in formulation of policy an equilibrium in society is maintained by balancing the interests of various groups. This equilibrium represents a temporary balance that contending groups constantly strive to weigh in their favor.

According to group theory, a policy is a product of group struggle whereby both formal and informal groups try to influence the public policies to suit their needs. It is on the basis of the equilibrium arrived at that policies are formulated. Accordingly, policy formulators succumb to the pressures of the dominant groups through bargaining, negotiating and compromising. In other words, Policy formulators such as politicians tend to respond to pressures from dominant, highly organized, or resourceful groups. The government accordingly acts as a neutral referee or arbitrator that balances the competing interests of different groups. It establishes the rules of the game for the struggle, arranges compromises, and legitimizes the final policy. Therefore, policies are not formed in isolation but through active bargaining, negotiation, and compromise among different groups. The group theory aims at producing group equilibrium amongst competing groups not only in domestic politics but also in promoting group's (state) interest (power) over another group's (state) interest in international politics (Masumbe, 2021).

Institutional Model

The institutional model argue that formulation of a public policy is an institutional/cooperative activity that involves several agencies, and not an individual effort. According to this view, policy formulation is a cooperative effort, and institutions constitute an important nodal point for policy formulation. Many people, interest groups, and administrative departments come together within structured, formal environments to formulate policy. Policies generated by these institutions are seen as more legitimate, providing universality (applying to every citizen) and enforceability (ability to enforce without coercion). One reason why institutionalism is important is because structures endure while individuals come and go. Institutions change the behavior of individuals who work within them than individuals change the institutions and therefore, policy decisions are more stable when made by institutions (Hoefer, 2022). Institutions and their established rules, procedures, and bureaucratic routines are stable and outlast the individuals who work within them.

Many people and many interest groups come together and formulate a policy by following a set of rules and procedures.

Steps in the Policy Formulation Process

There is a great variety of steps that are followed in policy formulation. Generally, there are seven steps in the policy formulation process as discussed below:

Definition of the Problem

The first stage in the policy formulation process entails identification of the Policy issue or problem. According to Rammata (2024), a policy analyst “places the identification of problems, their conceptualization, and prioritization first in the order of significance according to specific indicators. The definition of any problem is one of the most important stages in the formulation of public policies where all the known variables are being considered and the primary guidelines for their solution are presented. When defining the problem, the aim is to assess the information required and to take an objective, all-round approach which may require a lengthy and time-consuming process of evidence, interviews, and surveys”. The starting point is therefore to have a clear and detailed definition of the issue to be addressed. While this is very easy to state in principle, the reality is far more complex. More often than not, it is difficult to precisely decide the issue that need to be addressed. There must be a clear distinction between the symptoms and the real cause of a given problem to arrive at the right definition of a problem.

There are a number of factors that affect the articulation of the issue or the problem at hand. First, there is the question of how the agenda is set or how an issue comes to light. The power to decide what the problem is has a significant impact on the formulation of the policy. Important tactics to be employed lies in the way an issue is identified, how it is brought to attention and mounting pressure to have action taken to address the problem. Equally, keeping attention away from some issues is important. “Non-decision making” occurs when influential individual or groups or even the political system itself, prevent the emergence of challenges to the dominant values or interests in society (Corkery et al 1995).

Second, definition of the problem looks at the nature of the societal problem. It may be an issue which has been chosen; one which arises out of a normal process of monitoring and review; or which is thrust on government by a crisis. It has been argued that the process of policy formulation tends to unfold differently depending on the perception of the elites, whether they are dealing with a crisis situation or with orderly progress of a political agenda. Pressure for reform, stakes involved in change, the level of change considered, and the timing of reform all influence the problem identification process (Corkery et al, 1995).

The policy analyst should first find out whether a problem exists and what can be done about it. The problem at hand must be stated meaningfully and the magnitude and extent of it determined. We should clarify the objectives, resolve conflicting goals and identify who is concerned and why. We should make a quick estimate of resources required to deal with the problem. We should develop a problem statement by thinking about the problem, delineating the boundaries of the problem and listing the goals and objectives of the policy solutions. According to Morales-Gomez and Torres (1995), the exact topic would depend on the crucial problem areas identified on an ongoing basis by the policy makers. Areas that can be considered could include agriculture, gender mainstreaming, crime, drug abuse, social protection, unemployment, social security, health services, and poverty alleviation.

Determination of Objectives

This is the second step in formulation process which can also be termed as specification of the objectives. Just as the policy making process should have a beginning, that is, the issue to be addressed; it should also have, from the start, at least a general idea of a destination, that is, the objective to be achieved. As soon as the issue to be addressed is identified, it is necessary to have a statement of the objectives. The objective at this stage will be tentative. It can be modified in light of information gathered on the way. But an initial statement of the issue and of the objective will help to determine the nature of the information required and the actors and stakeholders who need to be brought into formulation process. Moreover, it is essential that there is a clear policy objective at the end of the formulation process that can provide a basis for useful monitoring, evaluation and review of policy implementation (Kariuki, 2014). Without a clear statement of objectives of the policy eventually agreed, no serious ex-post evaluation can be made (Corkery *et al*, 1995). Thus, every time a policy problem is identified, some statement of goals is adopted. The goals are what the policy should accomplish. Goals are translated into objectives. Objectives are concrete statements about desired end-products. The objectives should not be ambiguous. They should be straight forward and simple. As we state the objectives we should think of sociological implications of meeting or not meeting the objectives, and also the economic, technical, political and administrative factors that are likely to affect the formulated policy.

Identification of Alternative Policies

This is the stage where there is the development of options and process of choice. According to Morales-Gomez & Torres (1995), policy makers often have several actions from which to choose from. They give an example of traffic safety where they state that it can be solved by various policies throughout time. Examples can be building of more highways, the need for safe cars or jailing of drunk drivers. This gives a good example of various options that can be considered in an attempt to solve the problem at hand.

At first a policy analyst can generate a large number of alternatives. For example, if we are to make a policy on how to deal with a problem of malaria in the rural areas in Kenya, we can have a number of alternatives. The policy analyst should reduce the policy alternatives to manageable size of between four to seven objectives. We can know the alternatives by sharing experiences with others who had similar problem(s). We can also know alternatives by reading widely, getting views of experts and through brainstorming with communities and experts. During this stage, we should avoid criticizing new ideas or ruling out some alternatives when it is too early. We should criticize, if necessary, but as argued by Kariuki (2016), we should also listen and record the alternatives suggested both by the experts and by the communities at the grassroots.

Assessment of Alternative Policies

We should select the appropriate methods and apply them correctly. In assessing alternative policies, we ask ourselves questions like: Do the predicted outcomes meet the desired goals? Can some alternatives be quickly discarded? We should continue with an in-depth analysis of the alternatives. We should then do the forecasting. Forecasting help in knowing the results of the policy. For example, if the goal of the policy is to reduce HIV/AIDS through Voluntary Medical Male Circumcision (VMMC), we should forecast the rate of HIV infections among the uncircumcised and assuming that no action is undertaken, then, we will forecast the impact if VMMC is implemented. At this stage a cost-benefit analysis is done in order to show

what will be the cost of implementation and how communities would benefit from the implementation of the VMMC. Cost-benefit analysis reveals a lot of valuable insights in relation to policy alternatives. The risks should be lower than the benefits. It will require that appropriate decisions are made so that we do not make policies that are not worth the costs. Sociologists consider not just the economic costs, but also the anticipated social costs of implementation of a policy. We should avoid quick decisions, and we should be able to deal with uncertainties. This may require undertaking a SWOT analysis of a policy, meaning that we should identify the Strengths, Weaknesses, Opportunities and Threats presented by the policy if it is implemented. Policy makers should also conduct an Environmental Impact Assessment (EIA). This is analyzing and predicting the likely repercussions of the proposed policy on the social and physical environment.

Choice of Course of Action

According to Corkery *et al* (1995) choice is at the heart of policy formulation. The choice is between different options stated in the previous step. In this step, there is choice between different options with differing resource requirements and differing impact on the perceived problem(s). This means that what might achieve one objective might be of no use, or even be disastrous, for the achievement of another objective. Therefore, it is the role of policy analysts to help formulate policy options from which the best choice can be made. In theory, each option would be given a different weighting based on its advantages and disadvantages in relation to realizing the objectives of the policy. This implies that we may consider the best policy to be the one that brings the greatest value to the community or the one that has the largest Benefit-Cost ratio. Thus ideally, policy makers should set out all the options along with all the advantages and disadvantages of each in terms of the objectives to be achieved. They can then recommend a particular option. Since policy implementation is sometimes a political process, politicians often decide which option to adopt. However, the more interactive model of policy formulation recognises that, at early stages in policy analysis, there is likely to be interaction between technical and political considerations. Thus the elimination of certain options as politically unacceptable and the modification of other options to make them more politically acceptable take place during the analytical process. The final decision on policy from sometimes very limited options is made at the political level at a late stage in the process. By this time, the policy analysts have already assessed the various alternatives and made decisions on which policy is the best alternative.

Monitoring Implementation of the Policy

This is also referred to as policy maintenance, and it entails keeping the program or the policy going after its adoption. Monitoring is the process of detecting how the policy, programme or project is doing (Kariuki, 2014). To monitor a policy, some data about the policy must be obtained. A well designed and developed policy and procedure document will be effective only if it is implemented in an appropriate way to ensure maximum impact is achieved to address a particular policy purpose, issue or need. It is important to ensure that the implementation process is well thought out and effective. Where a number of policy implementations are occurring simultaneously, an implementation plan should be developed to ensure that maximum impact of new policies and procedures is achieved. The implementation plan involves assigning responsibility to individuals or bodies for implementation tasks and feedback, specifying policy communication requirements as well as identifying resources necessary to carry out implementation actions. A good implementation plan will suggest some ways in which data about the policy can be

generated. It can be generated by getting feedback from the community or through observation. The elements of monitoring implementation include Creation of a new agency or assignment of a new responsibility to an old agency; translation of policy goals into operational rules and developments of guidelines for the program; and coordination of resources and personnel to achieve the intended goals.

Evaluation After Implementation

This is the last step in the policy formulation process. This step is done to determine if the choice of the course(s) of action agreed upon is appropriate and capable to solve the problem at hand. In the evaluation phase, “policymakers assess the policy's outcomes and determine necessary adjustments to improve its effectiveness. Evaluation is a systematic process that measures the performance of a policy against its intended objectives. It can involve qualitative and quantitative methods to gather data on the policy's impact, efficiency, and cost-effectiveness” (Pepperdine School of Public Policy, 2025). Ordinarily, this is done by ascertaining the consequences of the choice of the decision. It asks a number of questions such as: Was the problem correctly identified? Were any important aspects overlooked? Were any important data left out of the analysis? Were recommendations properly implemented? Is the policy having the desired effect? Are there any needs for modification or redesigning the policies?

Evaluation is an important part of policy formulation. It is in evaluation that we are able to identify factors likely to lead to failure or success of the policy formulated. When policies fail to have the intended effects, it is usually due to two types of failures, namely: Theory failure which refers to the failure in the theoretical application of ideas to practice; and program failure which is the failure in the program implementation. This will call for review of the choice of intervention. Policy evaluation should however apply accepted social science research methods.

Rationale for Policy Formulation

These are the issues or areas that underlie the formulation of social policies. A distinction is sometimes made between a selective and universal rationale of policy formulation. Selective rationale is where the policy is designed for a specific group or category of people. For instance the social policy on the aged is a selective policy. This is a policy meant to benefit a target group. Universal social policy on the other hand is where the policy targets the entire population with various issues of interests to the community and hence the policy is meant to benefit the whole population. For instance the universal free primary school education policy in Kenya is meant to benefit the whole country, and so is the Social Health Insurance Fund (SHIF) in Kenya (GOK, 2024) which aims to provide comprehensive health coverage to all Kenyans and which if implemented properly would be a crucial milestone toward achieving Universal Health Coverage (UHC). Whether it is selective or universal it is important that policies should address issues that are of concern to the local communities.

Stakeholders/Actors in Policy Formulation Process

The International Finance Corporation (2007) identifies two types of stakeholders in policy formulation. These are

Primary Stakeholders

These are the Stakeholders who are directly affected (positively or negatively) by proposed interventions/policies. For instance, a policy on social protection of the elderly will have the aged as the primary stakeholders. The first step in the process of stakeholder engagement is stakeholder identification. It entails determining who your project stakeholders are, and their key groupings and sub-groupings. Then, there is a more in-depth analysis of how the stakeholders or interest groups will be affected and to what degree, and what influence they could have on the project (International Finance Corporation, 2007)

Secondary Stakeholders

They are the stakeholders who are indirectly affected by proposed policies/ interventions. They include those who have technical expertise and links to primary stakeholders such as Non-Governmental Organizations (NGOs). Various intermediary or representative organisations and technical and professional bodies. Such stakeholders often represent public interests. By involving stakeholders in policy formulation process, more realistic and effective policies and plans are formulated and their implementation is improved. The policy formulation process needs participation of different actors whose ideas play an important role in the design process. The actors involved may include, government agencies, Legislators, executive, the cabinet, Community Based Organizations (CBOs), trade unions, Business community, individual citizens, political parties, the media, research organisations, Civil Society Organisations (CSOs), task forces, planning commissions, judiciary, bureaucrats, and Community participants.

The Role of Stakeholders in Policy Formulation

Stakeholders play various roles in the formulation of policies. These include the following:

Instructive Role

Decisions are made at the top and then the information is communicated to other stakeholders. For instance, sometimes a government can make policies and then instruct the stakeholders on the roles that they are going to play in the implementation process.

Consultative Role

This is where the stakeholders are consulted on policies that have already been made or are in the process of policy formulation. This way the stakeholder has some degree of influence on policies and the outcomes of those policies.

Cooperative Role

This is where the stakeholders work together with policy makers or partners in the decision-making process. By cooperating with all the players in the formulation process, they increase cost effectiveness of policy and plan implementation through anticipating difficulties and problems that might arise unexpectedly.

Decision Making Role

Stakeholders assist policy makers in making various decisions by making it easy to develop more realistic and effective policies, laws, regulations and projects by bringing greater information and broader experiences into the policy formulation process.

People Centred

Stakeholders are people centred and therefore are likely to formulate policies that have grass-roots support. In this case, policy formulation aims to meet the needs of people.

Peoples Interests

The stakeholders are aware of people's interests and therefore they represent their interests. They do this by embedding new initiatives into legitimate local institutions and cultural values.

Partnership

Stakeholders are an interested party in policy making and therefore they have a partnership with policy makers.

Participation

They have a role of ensuring popular participation particularly the participation of vulnerable groups in policy formulation. They participate in building political support for, and reducing opposition policy proposals, through incorporation of stakeholder concerns.

Social Consensus

They have a role of ensuring that there is social consensus and harmony by contributing in conflict resolutions; in case conflicts arise as a result of social policy that is adopted. They play this role by minimizing the conflicts between different players with different interest by showing promising ways of resolution.

Legitimacy

Stakeholders help to legitimize social policies. Communities can see that their representatives are involved and have participated in policy formulation. This makes it easier for communities to recognize and identify with the policies that are passed. The policies formulated are consistent with the existing values and norms of the community. Communities will feel they have been listened to, and therefore they will support the policies and projects. They will understand appropriately the objectives of the policy. Furthermore, they will understand the process that is used in making the policy.

Factors Influencing Policy Formulation

Generally, policy formulation is influenced by political, economic and structural variables. Social programs like any other public policy are the result of the interplay of factors associated with these aspects. It is not reasonable to assume that technical aspects will prevail in the final result, given that any particular social policy is the visible part of forces and tensions within these aspects (Morales-Gomez & Torres, 1995). Specific factors affecting policy formulation include the following:

Rationale/Context

The context in which the policy is formulated is important. Formulating a policy requires a good understanding of local needs, opportunities and constraints. It requires us to know the commitment of local actors.

Community Needs

Policy formulation requires a good and thorough understanding of the local needs and problems of the people. Emphasis should be given on the needs of the people, their capacities and total commitment of the community in supporting the proposed programs. When we are formulating policies we should be guided by needs of the local people. We formulate policies that will enable communities to meet those needs. These could be the basic needs such as food, shelter, clothing, health, economic needs as well as the social needs of the people. To ensure a better identification of the community needs and the means to satisfy them, the participation of the institutions and networks of civil society including NGOs, trade unions, self help groups and neighbourhood associations is necessary. Action must be taken to modify the individual, organisational and structural factors causing inequality in the ability of different groups to identify their needs and articulate their demands.

Role of Stakeholders

In policy formulation, stakeholders must first be identified. We take into account the interests of various stakeholders. Policies we formulate are influenced by the variety of stakeholders. For instance, to formulate a policy on children with disability will require collaborative efforts of stakeholders such as school personnel, teachers, parents, students, local organizations, international NGOs and UN agencies (Kariuki, 2008).

Role of the Government

The policies formulated to a large extent depend on government support and commitment. Government should show positive attitude to the policy by empowering stakeholders and providing the required pre-requisite information necessary for policy formulation.

Target Groups

It is not possible to have a policy that will meet the needs of the entire populations. Thus it is often better to target specific groups. The process therefore must be seen as a search for improving the life of the specific target group.

The Political Environment

Political commitment is of key importance in policy formulation. Formulating and implementing policies is political process. Thus, to come up with appropriate policies we need political good will.

Institutional Setup

The way all institutions are set up be it political or religious or economic institutions will affect the policy formulation, implementations and outcomes. The environment will therefore make it possible for proper policy formulation. According to Corkery et al (1995) the characteristics of the broader institutional

environment which tends to influence policy formulation include: the extent to which the environment may facilitate or constrain the policy formulation process; the political nature of the process; and the level of involvement of external agencies in the policy formulation process.

Community Participation

Policies that are people based are easily formulated and implemented. A key characteristic of a broad approach to policy formulation is the role of community participation in the formulation of the decisions and activities affecting them. Thus, action must be taken to modify the individual, organisational and structural factors causing inequality in the ability of different groups to identify their needs and articulate their demands.

The Role of Pressure Groups

Civil society Organizations (CSOs) have an important role to play in formulation of policies given that they are in most cases in touch with people at the grass root level. CSOs participate in policy formulation by contributing to the formulation and implementation process.

Cultural and Religious Factors

Policies that eventually formulate will be determined by the cultures and the religions of the target population. When formulating policies, we must take into consideration of peoples cultural and religious aspects to ensure there is compatibility.

Poverty Levels/Social Economic Status

Policies we formulate depend on the economic status of target populations. In communities that are absolutely poor, social policies formulated will seek to alleviate poverty.

Political Will

Political good will is a key factor in policy formulation. Political good will in this case means total political support for a policy by government functionaries. Sometimes policies are well formulated but may lack political will to implement. Whenever this happens, policy formulation will not achieve the intended end.

Research

Research is the process of gathering information, analysing it and reporting/presenting the findings. Research is carried out using acceptable scientific methods. It is important to gather information so that we use it in formulation of policies and plans.

There are two sources of data that we use in policy formulation:

- Primary Data – This is data gathered directly from the field gathered using scientific methods. Primary data can also be gathered through surveys, observations, key-informant interviews and Focus Group Discussions (FGDs).
- Secondary Data – Secondary data is gathered from the books, magazines, newspapers and journals and the internet.

In policy formulation we cannot downplay the role of research. Research is important as it serves the following roles:

Planning with Data: Research enables us to plan with data. This is because the research findings will assist us to plan what can be done in policy formulation.

SWOT Analysis: The research findings enable us to identify the likely Strengths, Weaknesses, Opportunities and Threats.

An Aid to Implementation: Well researched policies are easier to implement because the Plan of Action (POA) is laid down properly.

People's Participation: Research in policy formulation enables us to know the methods that we can use to ensure that people participate in the planning and implementation. It also enables us to understand the cultural issues and political factors that may impede policy implementation.

Wider Knowledge: Research equips us with wide knowledge and helps us to take seriously those issues that might be taken for granted.

Conclusion

This paper has demonstrated that policy formulation is a complex dynamic process that balances the analytical rigour with the stakeholder interests and the political realities. Therefore, development of acceptable policies requires an understanding of the analytical techniques including forecasting, cost-benefit analysis and operational research. Furthermore, policy analysts require knowledge of various theoretical models such as the elite theory, rational approach, game theory, and systems model. Each of the models discussed offers unique insights into how policies are driven and shaped by the interplay between power dynamics, rational decision making and systemic influences. The steps in policy formulation are critical in ensuring that policies are aligned to the needs of the people. Moreover, stakeholders play a crucial role in policy formulation as their input and influence can significantly affect the direction and outcome of policy decisions. Furthermore, research forms the backbone of policy formulation and development, providing evidence-based insights that guide decision-making ensuring that policies are grounded in reality.

The paper concludes that effective formulation of policies lies in the ability to integrate analytical techniques with political considerations ensuring that policies that are formulated are not only technically sound but also politically and socially viable. As policy formulation becomes increasingly complex, the importance of a well-rounded approach that incorporates diverse perspectives, robust research, and strategic stakeholder engagement cannot be overstated.

Study Recommendations

To improve the quality and effectiveness of policy formulation and development the paper propose the following recommendations.

- Strengthen evidence –based policy formulation. Governments, policy planning units and research institutions should promote use of empirical research in policy formulation. They should encourage the use of analytical tools such as cost-benefit analysis, forecasting and operational research.

- Promote inclusive stakeholder participation in policy formulation. Government agencies and policy makers should ensure that stakeholders who include CSOs, the public and private sector are actively involved in the policy formulation process.
- Enhance institutional capacity for policy analysis. Governments and public administration training institutions should invest in building the analytical capacity of policy analysts and public official. Universities and professional training institutions should also provide training in policy analysis and policy design.

Recommendations for Further Studies

- Future studies should explore how specific stakeholder groups influence policy formulation outcomes in different sectors
- Future research should examine the effectiveness of various analytical techniques such as cost-benefit analysis, forecasting, operational research and PPBS in improving evidence –based policy designs.

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