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Scenarios and Public Policy

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CONTENTS

Scenarios: What are they and why use them?

Yagil Levy, Dan Fisher

How regulation affects CSR: Corporate Environmental Responsibility in different simulated regulatory scenarios

Orr Karassin, Aviad Bar-Haim

When sociology meets public policy – scenario analysis as a tool for policy-making

Yagil Levy

Quantitative scenario-based policy planning for decision-making under deep uncertainty

Shmuel Abramzon

Scenario, policy, and reality: The case for scenario-based preparedness exercises

Limor Samimian Darash

Summaries of the Main Articles

Scenarios: What are they and why use them?

Yagil Levy¹, Dan Fisher²

This article presents a general introduction to the study of scenarios which are primarily used in the study of public policy. It starts with a general definition and distinguishes between three main categories of scenario studies. The article proceeds by presenting the main stages of scenario building, and then analyzes their advantages and disadvantages.

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2 Israel Police.

How regulation affects CSR: Corporate Environmental Responsibility in different simulated regulatory scenarios

Orr Karassin¹, Aviad Bar-Haim¹

Regulation as an institutional mechanism affects Corporate Environmental Responsibility (CER) in several known ways. It creates a normative environment in which legal and social expectations for compliance are substantiated. At the same time, it deters unwanted behavior or encourages environmentally-friendly practices. While the general effects of regulation on environmental compliance have been thoroughly studied, the effects of different regulatory environments on Corporate Social Responsibility (CSR) and beyond-compliance business behavior are less understood.

In this paper we study the effects of three different regulatory scenarios on CER (relating to compliance and beyond-compliance behaviors) as a measure of CSR. These scenarios include the empirical state defined as a 'cooperative regulator' which is assessed against three simulated scenarios: a 'coercive regulator' (punitive), a 'demanding regulator' (stringent) and a 'lax regulator' (less punitive). The relative effect of different regulatory scenarios is studied in a multilevel multivariate model. The model allows for the estimation of the relative role of regulatory types in relation to other CSR antecedents.

The model includes the principal driving factors effecting CER and incorporates three levels of analysis: institutional, organizational, and individual. The multilevel nature of the design allows for assessment of the relative importance of the levels and their components. Included in the institutional level are stakeholder expectations and demands by the regulator (the regulatory environment). Included in the organizational level are corporate organizational culture, CSR orientation of managers and organizational leadership. The individual level includes personal workplace

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behaviors, namely: job satisfaction, organizational commitment and organizational citizenship behavior.

Unweighted least squares (ULS) regression analysis reveals that the institutional-level variables have medium strength relationships with CER, some variables having a negative effect. The simulation of regulatory scenarios shows that the empirical cooperative regulator has the strongest possible positive effect on CER. In contrast, possible changes to regulatory demands and enforcement actions (coercive or laxer practices) are not found to strengthen the positive effect of regulation on CER. On the contrary, coercive regulatory practices are likely to reduce the internal motivation for compliance and beyond compliance action, although they may increase the external incentives. Laxer regulatory practices are likely to reduce credibility of the normative effect of the regulatory regime and weaken the internal motivation for CSR.

While findings show that regulation does play a role in CER performance, the organizational level is revealed as having strongest and most positive significant relationships with CER. Organizational culture and manager attitudes and behaviors are significant driving forces. Generally, the individual level, depicting workers' attitudes toward their workplace, is shown as insignificant in promoting CER.

When sociology meets public policy – Scenario analysis as a tool for policy-making

*Yagil Levy*¹

The point of departure for this article is that a policy decision, with specific goals and motivations and a choice of several options, can produce unintended and even partially undesired consequences for decision-makers. Policy planners strive to reduce undesirable results, but the failure of two elements characterize and impede policy planning: (1) linear thinking: ignoring how a new policy changes interests and power relations and brings different actors and new agendas to the stage. (2) positivist thinking, which looks at the overt layer of politics and ignores the extent to which policy design is affected by and affects covert power relations. These relationships, in turn, impact policy implementation. My argument is that policy scenarios, based on sociological insights and analyzing historical, comparative, and analogous experiences, can contribute to exposing unintended and undesirable consequences. For this purpose, scenario planners who examine policy alternatives, should pose the key questions presented in the article as a way of predicting unintended, and possibly undesirable, consequences of the proposed policy.

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Quantitative scenario-based policy planning for decision-making under deep uncertainty

*Shmuel Abramzon*¹

This article describes the Robust Decision-Making methodology that was developed for decision-making in conditions of deep uncertainty. The methodology is based on a systematic analysis of policy performance against a very large set of scenarios. Using computer-based quantitative analysis, the method enables decision makers to be exposed to the tradeoffs and vulnerability of policy actions and to recognize those policies that perform reasonably well under a large set of scenarios. Three case studies are provided as examples for the use of the methodology in Israel and the US: Strategic Energy Planning, Government Debt Management and Sea Port Investments.

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Scenario, policy, and reality: The case for scenario-based preparedness exercises

Limor Samimian Darash¹

In this article, I analyze how the Israeli Turning Point scenario-based exercise works as a technology-based uncertainty, both in its conceptualization of the future and in its enactment. This preparedness exercise involves activation of and reaction to a chosen event, one that does not replicate the past nor attempt to predict the future. Though designed to challenge responders, the scenario does not represent a worst-case event but a plausible one. With this technology, the Israeli preparedness system is directed neither toward producing specific responses nor discovering the best solutions for an unknown future. Thus, in contrast to the heroic attempt of the risk assessment approach, which tries to minimize uncertainty by translating it into a series of known and measurable events, in scenario-based preparedness exercises future uncertainty is not resolved. Rather, the technology generates uncertainty through its execution, from which new problems are extracted. The scenario technology then, appears to be an important means of thinking about and preparing for the future, as well as a policy tool for acting under uncertainty.

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