The Use of Collaborative Decision-Making Processes to Develop Public Policy

Abstract: Many public policy debates can be characterized as disagreements among multiple stakeholders about the selection of a public good that has multiple attributes. For the usual reasons - informational asymmetry, incentive effects, etc. - it may be inefficient to rely on a third party (the government) to resolve these disputes. Instead, it might be possible to require that the stakeholders negotiate a resolution among themselves. Although this approach, often called collaborative decision-making, has been tried in many different policy arenas, in many different countries, it has received little attention from economists. In this seminar, I will describe how collaborative decision-making works and investigate some of its advantages and disadvantages.