

Assessing Policy Alternatives

Outline

- Introduction
- Evaluative criteria
- Methods of policy analysis

Evaluative Criteria

- **Evaluative criteria:** specific dimensions of policy objectives used to evaluate alternatives
 - often addressed in measurable terms
 - multiple criteria used
 - » some more relevant than others

Evaluative Criteria (cont'd)

- Effectiveness
 - reaching goals and objectives
 - ask if desired results achieved
 - issues: multiple goals, estimating success
- Costs, benefits, and efficiency
 - application can be difficult
 - how to calculate certain items
 - distribution of costs and benefits varies

Evaluative Criteria (cont'd)

- Equity
 - process equity vs. end-result equity
- Ethics
 - often ignored
 - not “rational” or could be based on biases
 - many issues demand such considerations
 - freedom, liberty
- Others: political feasibility, social acceptability, administrative feasibility, technical feasibility

Methods of Policy Analysis

- Economic Approaches
 - Cost-benefit analysis
 - Cost-effectiveness analysis
 - Risk assessment
- Decision Making and Impact
 - Decision analysis
 - Forecasting
 - Impact assessment
- Political and Institutional Approaches
 - Political feasibility analysis
 - Ethical analysis
 - Implementation analysis and program evaluation

Cost-benefit Analysis

- Examines whether benefits obtained by the action are greater than the costs imposed
- Advantages
 - reduces variables to dollar figures for easy comparison
 - can see what you are getting for your money
- Limitations
 - sometimes difficult to determine monetary amounts for certain items (e.g., human life)
 - what discount rate to use

Cost-effectiveness Analysis

- Examines alternatives based on which one will provide benefits at least cost
- Does not attempt to put a monetary value on benefits
- Issue: Should government always select the cheapest method?

Risk Assessment

- Identifies, estimates, and evaluates magnitude of risk from various situations
- May use this tool to determine which of a variety of problems to address or
- To evaluate which alternative will lessen the risk to the population
- Risk based on probability of exposure and the consequences of being exposed
- Limitation: people often misjudge risk

Decision Analysis

- Way to structure possible decisions when you have uncertainty
- Typically displayed as a “decision tree”
 - each branch of tree represents a potential choice
- Helps decision makers think of consequences of actions

Forecasting

- Understanding how present problems might change over time
 - What might the future hold in this area?
 - Example: forecasting population growth or the number of students in a school district
- Limited by
 - available data
 - validity of basic assumptions used in projections
 - how far out the projection goes

Impact Assessment

- Analyses conducted to predict consequences of adopting a proposal
- Many different examples
 - environmental impact assessments
 - job assessments
 - inflationary impact assessments

Political Feasibility Analysis

- Extent to which elected officials and other policy actors support change
- Not formula-based analysis
- Need to identify policy actors who have significant roles
 - legislators
 - bureaucratic officials
 - interest groups

Ethical Analysis

- Sometimes problematic – does it threaten objectivity of analysis?
- Issues often raised in this area, but often not with the same level of careful analysis
- Is necessary to fully understand consequences of an action

Implementation Analysis/ Program Evaluation

- Implementation analysis
 - attempts to design a policy that can be implemented well or
 - examines how well it went after implementation
- Program evaluation
 - focuses on policy results or outcomes
 - were goals and objectives achieved