

Assessing Policy Alternatives

POSC 315 - Introduction to Public Policy | Week 6

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Feeling wonky today?



Figure 1: Policy Alternatives

Learning Objectives

- Describe evaluative criteria for judging the value of policy proposals or alternatives
- Explain how to apply the methods of policy analysis
- Identify three key economic approaches to policy analysis
- Distinguish between the several kinds of decision-making and impact analysis
- Compare the ethical approach of policy analysis against other methods

Evaluative Criteria for Judging Policy Proposals

Evaluative criteria are the specific dimensions of policy objectives that can be used to weigh policy options or judge the merits of existing policies or programs.

1. It can be regarded as justifications or rationales for policy or government action.
2. The use of explicit evaluative criteria establishes clear standards that keep policy analysis objective and focused on the issues of greatest concern.

Evaluative Criteria for Judging Policy Proposals

Most policy debates involve multiple and competing criteria.

1. Policymakers and analysts want policy action to be effective, but they also want:
 - To minimize costs.
 - To promote the most equitable solution.
 - To maintain individual rights against governmental authority and expansion.
2. Those concerned with public policy must figure out which criteria are most important and use those to rank policy alternatives from best to worst.

- **Criterion: Effectiveness**

- **Definition:** The likelihood of achieving policy goals and objectives or demonstrated achievement of them.
- **Limits to Use:** Estimates involve **uncertain projection** of future events.
- **Where Most Likely Used:** Virtually all policy proposals where concern exists over how well **government programs work**.

- **Criterion: Efficiency**

- **Definition:** Achievement of program goals or benefits in relation to **costs**. Least cost for a given benefit or **largest benefit** for a cost.
- **Limits to Use:** **Measuring all costs and benefits** is often not possible. Decision-making reflects **political choices** as well as efficiency.
- **Where Most Likely Used:** Regulatory policies (e.g., **consumer protection, food safety**, workplace safety, environmental protection, market-based approaches).

- **Criterion: Equity**

- **Definition:** **Fairness or justice** in the distribution of a policy's costs, benefits, and risks across population subgroups.
- **Limits to Use:** Difficult to measure equity; disagreement over whether equity means **fair process** or **equal outcomes**.
- **Where Most Likely Used:** Policies on **civil rights**, disability rights, **tax cuts** for middle or upper class, access to **health services** and education.

- **Criterion: Liberty/Freedom**

- **Definition:** Extent to which public policy extends or restricts **privacy** and individual **rights** and choices.
- **Limits to Use:** Often clouded by **ideological beliefs** about the role of government.
- **Where Most Likely Used:** Issues like **national ID cards**, internet restrictions, **property rights**, and regulatory actions affecting corporations and individuals.

- **Criterion: Political Feasibility**

- **Definition:** Extent to which elected officials are likely to **support** a policy.
- **Limits to Use:** Difficult to determine; depends on **economic and political conditions**.
- **Where Most Likely Used:** Controversial policies such as **gun control, immigration, or tax policies** like gasoline tax increases.

- **Criterion: Social Acceptability**

- **Definition:** Extent to which the **public** will accept and support a policy.
- **Limits to Use:** Hard to determine even with public support data; depends on **issue saliency** and public awareness.
- **Where Most Likely Used:** Issues like **crime control, abortion rights, health care reform**.

- **Criterion: Administrative Feasibility**

- **Definition:** Likelihood that a department or agency can **implement** the policy effectively.
- **Limits to Use:** Involves projection of **resources** and agency behavior, which can be **hard to estimate**.
- **Where Most Likely Used:** Policies requiring **agency expansion**, new approaches, or complex **institutional structures**.

- **Policy Analysis Methods** draw heavily from **economics**, focusing on:
 - **Cost–Benefit Analysis (CBA)**
 - **Cost-Effectiveness Analysis (CEA)**
- Emphasize **efficiency** but are useful for **nontechnical analysis** too.
- These are **critical thinking tools** accessible to everyone interested in public policy.

Policy Evaluation Beyond Economics

- Policy analysis involves:
 - **Effectiveness**: Does it achieve the goal?
 - **Equity**: Is it fair across different groups?
 - **Liberty/Freedom**: Does it respect individual rights?
 - **Politics**: Does it reflect public and political support?
- **Analytic methods** clarify problems, but **decision-making** ultimately lies with **policymakers** and the **public**.

Economic Approaches to Policy Analysis

- **Public policies** are costly, requiring resource allocation.
 - **Economic analysis** helps understand the **real costs** of government programs.
 - Helps evaluate **trade-offs** between policy alternatives.
- **Criticism:**
 - Often places too much emphasis on **dollar values**.
 - May **neglect societal needs** that are harder to quantify.

Understanding Cost-Benefit Analysis (CBA)

- **Cost–Benefit Analysis (CBA):**
 - Evaluates **costs and benefits** of proposed actions.
 - **Steps** in CBA:
 1. **Identify** long-term and short-term costs and benefits.
 2. **Monetize** tangible costs and benefits.
 3. Apply a **discount rate** to future values.
 4. Consider **qualitative** (intangible) factors.
 5. **Aggregate** all results for decision-making.

- **Results** from CBA:
 - **Net Benefit:** Benefits minus costs.
 - **Benefit-Cost Ratio:** Benefits divided by costs.
- Challenges in CBA:
 - **Judgment calls** in identifying costs and benefits.
 - **Opportunity Costs:** Value of what's forgone when allocating resources.
 - **Discount Rate:** Accounts for the future value of costs/benefits.

Dealing with Intangibles in CBA

- **Intangible Costs and Benefits** are hard to quantify.
 - Use **Contingent Valuation**: Surveys to estimate non-market values (e.g., clean water).
 - **Sensitivity Analysis** helps assess impact under different scenarios.
- **Key Questions**:
 - Are all **costs and benefits** included?
 - Are the underlying **assumptions** valid?

Cost-Effectiveness Analysis (CEA)

- Used when **benefits** can't be easily monetized.
- Compares the **relative value** of different policy options.
 - Example: **Lives saved** by requiring **safer automobiles**.
- CEA helps answer:
 - Which actions provide the **maximum outcome** for a given cost?
 - Which investments yield the **greatest benefit**?

Introduction to Risk Assessment

- **Risk Assessment** estimates risks to society (e.g., natural disasters, terrorism).
- **Risk** is calculated as $R = p * C$
 - **Risk (R) = Probability (p) × Consequences (C)**
- Helps determine the **public benefit** of reducing risks.
- **Public Perception vs. Expert Evaluation:**
 - **Public** often fears **high-consequence** events regardless of their probability.
 - **Experts** use data-driven approaches to assess risk levels.

- **Risk Evaluation:** Determining acceptable levels of risk.
 - Example questions:
 - How much should be spent to ensure **clean air**?
 - What level of **food safety** is sufficient?
- **Risk Management:** Implementing policies to manage risks.
 - Examples:
 - **Antiterrorist measures** to lower risks.
 - **Pollution control** to protect public health.

Forecasting in Public Policy

- **What is Forecasting?**
 - A method used to **predict future conditions** based on current data.
 - Helps policymakers **prepare for potential challenges** and opportunities.
- **Examples of Forecasting:**
 - **Population Growth:** Uses models similar to **compound interest** to project changes.
 - **Economic Trends:** Anticipate changes in **employment** or **budget needs**.
- **Limitations:**
 - **Data Quality:** Predictions are only as good as the data and **assumptions** used.
 - **Uncertainty:** The further into the future we project, the less **accurate** predictions may be.

Impact Assessment in Public Policy

- **What is Impact Assessment?**
 - Evaluates the potential **effects** of proposed policies before they are adopted.
 - Focus on **environmental, social, economic** impacts.
- **Environmental Impact Assessment (EIA):**
 - **NEPA (1969)**: Requires federal agencies to assess environmental impacts of major projects.
 - **Public Involvement**: Reports are made public, allowing citizens and groups to **provide input**.
 - Encourages exploring **alternative solutions** to avoid negative impacts.
- **Why It Matters:**
 - Helps policymakers **understand consequences** and make better decisions.
 - Engages the **public** in the decision-making process, promoting **transparency**.

- **Political Feasibility Analysis:**
 - Assesses the **support** for a policy from elected officials and other actors.
 - **No formula** for predicting feasibility, but it's crucial to gauge **political support**.
 - Key Question: **How likely** are political actors to support this change?

Political Feasibility Challenges

- **Challenges in Political Feasibility:**
 - **Interest Groups:** Can significantly influence the success of public policy.
 - **Small Changes** in policies or shifts in the **political environment** can sway support.
 - **Steps for Analysis:**
 1. Identify key **policy actors**.
 2. Determine their **positions** on the policy.
 3. Estimate their **level of interest** and the intensity of their views.

- **What is Implementation Analysis?**
 - Examines how policies are **put into effect** and their outcomes.
 - Can **anticipate problems** before adoption or document issues after implementation.
- **Factors Affecting Implementation:**
 - **Complexity** of the problem.
 - **Design** of the policy.
 - **Resources** and **skills** of agencies responsible.

Key Factors in Policy Implementation

- **Influences on Success:**
 - **Agency Resources:** Money, technical capabilities.
 - **Leadership Commitment:** Skills and dedication of leaders.
 - **Public and Political Support:** Level of backing from the public.
 - **Affected Constituencies:** Stakeholders directly impacted by the policy.
- **Goal:** Understand these influences to **improve implementation** and **success**.

Program Evaluation in Public Policy

- **Program Evaluation:** Looks at **results** or **outcomes** of policies.
 - Tied closely with **implementation success**.
- **Purpose of Evaluation:**
 - **Assess success** or **failure**.
 - Identify **areas for improvement**.
 - Sometimes leads to **modifications** to enhance outcomes.

Why Program Evaluation Matters

- **Impact of Evaluations:**
 - Good evaluations can **demonstrate policy success** or **identify failures**.
 - **Evidence-based changes** can improve policies over time.
- **Real-world Application:**
 - Example: Evaluations might show that a public health campaign is **effective** or suggest that new methods are needed.

What is Ethical Analysis in Public Policy?

- **Ethical Analysis:** Evaluating policies based on **ethical principles** or **norms**.
 - Focus on values like **personal freedom, equality, justice, and fairness**.
 - Complements traditional analyses focused on **economic, political, or administrative** factors.
- **Purpose:** Helps ensure policies are not just effective or efficient but also **morally sound**.

Challenges in Ethical Analysis

- **Fear of Compromising Objectivity:**
 - Analysts often avoid ethical analysis, fearing it could **bias** their work or compromise **objectivity**.
- **Leaving Ethics to Advocates:**
 - Ethical considerations are frequently left to the **policy advocacy community** instead of being integrated into formal analysis.
 - This means ethical issues may not receive the same level of **careful consideration** as **economic** or **political** aspects.

Importance of Ethical Analysis in Policy Debates

- **Ethical Issues in Policy Debates:**
 - Ethical concerns like **justice** and **equity** are often raised during debates.
 - However, they may be treated with **less rigor** compared to other aspects of analysis.
- **Key Terms:**
 - **Ethical Principles:** Standards that guide what is considered **right** or **wrong**.
 - **Objectivity:** Maintaining **neutrality** in analysis without letting personal values interfere.
 - **Policy Advocacy:** Individuals or groups actively promoting policies based on their **ethical values** or interests.

- **Key Takeaways:**

- Policy analysis involves **evaluating** and **judging** policy proposals.
- **Economic approaches** like CBA and CEA are **critical tools**.
- **Ethical analysis** ensures policies are **morally sound**.
- **Political feasibility** and **implementation** are crucial for policy success.
- **Public involvement** and **transparency** are essential for effective policy-making.
- **Balancing** multiple criteria is key to **effective policy analysis**.

Questions?